



Daily Report

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Daily Report

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CONTENTS

17 February 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Article on Deng Xiaoping's Policy on U.S., UK [Hong Kong TANGTAI 15 Feb]	1
Article Views Impact of EC Unified Market [XINHUA RIBAO 29 Jan]	2
'News Analysis' on Iranian Economy, OPEC [XINHUA]	3
Wei Jianxing Leaves for Pakistan, Thailand [XINHUA]	4

United States & Canada

Government Assesses President Clinton's Policy [Hong Kong TANGTAI 15 Feb]	4
U.S., PRC Sign Memorandum on Satellite Safety [XINHUA]	6
Report on Albert Gore's Role in Space Projects [XINHUA]	6
Correction to Examination of Sino-U.S. Relations	7

Northeast Asia

Materials, Equipment Group Ends ROK Visit [Beijing International]	7
Mongolian Premier Discusses Bilateral Ties [XINHUA]	7

Southeast Asia & Pacific

Philippine Foreign Secretary Romulo Pays Visit	7
Manila Departure Noted [XINHUA]	7
Greeted by Xu Dunxin [XINHUA]	8
Agenda for Visit Previewed [XINHUA]	8
Indonesian Vice President Meets Trade Delegation [XINHUA]	8

Near East & South Asia

Reportage on NPC Delegation's Visit to Pakistan	8
Lahore Mayor Fetes Group [XINHUA]	8
Official: China 'Reliable Friend' [XINHUA]	9
Delegation Returns to Beijing [XINHUA]	9
Friendship Delegation Concludes Bangladesh Visit [XINHUA]	9
Yang Fuchang Visits Algerian Foreign Minister [XINHUA]	9
China, Israel Sign Science Cooperation Accord [XINHUA]	9
'News Analysis' on Israeli Plans for U.S. Visit [XINHUA]	10

NATIONAL AFFAIRS

Political & Social

Dissidents Wang Dan, Guo Haifeng Paroled [XINHUA]	11
Shanghai Grants Zhu Hongsheng Penalty Reduction [XINHUA]	11
Some Topics Reportedly Banned in 'Major' Papers [Hong Kong MING PAO 16 Feb]	11
Authorities Prevent Sale of Book on Mao's 'Missing' Son [Hong Kong THE STANDARD 17 Feb]	12
Beijing Strengthens Control of Narcotics [XINHUA]	12
Structural Reform Through 'Stable Endeavors' [Hong Kong MING PAO 12 Feb]	12
Changing Government Functions Studied [RENMIN RIBAO 5 Feb]	13

Mediation's Important Role in Beijing Judicature	[XINHUA]	15
Propaganda Unit Calls for Studying Deng Works	[ZHONGGUO TONGXUN SHE]	15
Industrial Injury Insurance System Reformed	[XINHUA]	15
Many Qinghua Graduates Involved in Politics	[ZHONGGUO XINWEN SHE]	15
Communist Youth League Tries To Protect Minors	[XINHUA]	16
Democratic Party Leaders Attend State Functions	[XINHUA]	17
Jiang Zemin Writes Inscription for TV Series	[XINHUA]	17
Li Peng Inspects Guangdong's Zhongshan City	[Hong Kong WEN WEI PO 16 Feb]	18
Li Tieying Given Honorary Post at Sports Club	[XINHUA]	19
Hu Jintao Inspects Broadcasting Units in Tianjin	[Tianjin Radio]	19
Wang Bingqian at Accounting Centers Ceremony	[XINHUA]	19
Wang Zhen Leads Compilation of Red Army History	[XINHUA]	19
Publication of Album on New 4th Army Hailed	[XINHUA]	20
Zhu Rongji Inspects Zhejiang 21-27 Jan	[ZHEJIANG RIBAO 30 Jan]	20
Tan Shaowen's Career Reviewed	[XINHUA]	21
Yang Shangkun Greets Honorary Guangzhou Citizens	[Guangzhou Radio]	22
Book Series on Capitalists' Biographies Planned	[ZHONGGUO XINWEN SHE]	22
RENMIN RIBAO Carries QIUSHI Table of Contents	[RENMIN RIBAO 14 Feb]	22

Military

'Slandorous Rumors' of Military Buildup Denied	[XINHUA]	23
PLA Calls for Recruitment of Returned Students	[XINHUA]	24
Leading Military Conglomerate Increases Civilian Production	[CHINA DAILY 15 Feb]	24
Jilin Secretary Attends Military Party Plenum	[Changchun Radio]	25
Shanghai Secretary Addresses Garrison Meeting	[Shanghai Radio]	25

Economic & Agricultural

Minister on Becoming Leading Trading Nation	[ZHONGGUO XINWEN SHE]	25
Li Peng Discusses State of Economic Affairs		26
Notes Ties With World Economy	[XINHUA]	26
Nation Nearing Market Economy	[XINHUA]	26
Beijing Vows To Enforce Copyright Protection	[XINHUA]	26
Holiday Results in Imports Up, Exports Down	[XINHUA]	27
Enterprises Helped To Expand International Trade	[XINHUA]	27
1993 State Bonds To Come Out 1 Mar	[XINHUA]	27
RENMIN RIBAO Editors Predict 1993 Market Trends	[6 Feb]	28
Electronic Industry Target Met Ahead of Schedule	[XINHUA]	29
Plans To Upgrade Machinery, Electronics Products	[XINHUA]	30
National Information Industry Developing	[XINHUA]	30
National Aviation Industry Growth Reported	[XINHUA]	31
Ministry Seeks To Improve Telephone Services	[XINHUA]	31
'Ambitious' Targets for Posts, Telecommunications	[CHINA DAILY 16 Feb]	32
Foreign Investment in Posts, Communications Urged	[XINHUA]	32
China Ocean Shipping Companies Group Founded	[XINHUA]	33
National Agricultural Bank Expanding	[XINHUA]	33
Beijing Profits From Overseas Workers	[ZHONGGUO XINWEN SHE]	33
State of Rural Economic Development Reviewed	[ZHONGGUO TONGXUN SHE]	34
Agricultural Minister Gives News Conference	[Beijing TV]	34
3 Billion Yuan in IOU's Cashed	[ZHONGGUO XINWEN SHE]	37
Regulations, Control System Announced	[ZHONGGUO XINWEN SHE]	37
Agriculture Minister Urges Spring Farming	[XINHUA]	37
Greater Control Over Tobacco Monopoly Urged	[XINHUA]	38
Preparations for Three Gorges Project Stepped Up	[XINHUA]	38

REGIONAL AFFAIRS

East Region

Anhui CPPCC Committee Session Ends 8 Feb	[Hefei Radio]	40
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Xiamen To Finance Road With Land Lease Income [ZHONGGUO XINWEN SHE]	40
Jiangsu Boosting Export-Oriented Economy [XINHUA]	40
Shandong's Jiang Chunyun Addresses Bank Presidents [Jinan Radio]	41
Shandong Vice Governor on Economic Work, Tasks [Jinan Radio]	41
Shandong Circular on Technical School Enrollment [Jinan Radio]	42
Huang Ju on Shanghai Economic, Social Development [XINHUA]	42
Wu Bangguo Supports Foreign Management Methods [XINHUA]	42
Shanghai Holds Party Propaganda Work Meeting [Shanghai Radio]	43
More HK, Macao Representation at CPPCC Session [XINHUA]	43
Column Applauds Cancellation of Coupon System [JIEFANG RIBAO 27 Jan]	43
Zhejiang Enterprises Expand Overseas Business [XINHUA]	44

Central-South Region

Migrant Workers Strain Guangzhou Railway System [ZHONGGUO XINWEN SHE]	44
Guangdong Group To Recruit Personnel From Abroad [XINHUA]	45
Hainan Secretary Urges More Singaporean Investment [Haikou Radio]	45
Hainan's Ruan Chongwu on Economic Construction [Haikou Radio]	46
Hainan Vice Governor Inspects Prefecture [Haikou Radio]	46
Henan Secretary Speaks on Reform, Peasant Burdens [Zhengzhou Radio]	47
Henan Secretary on Enterprise Rules, Regulations [Zhengzhou Radio]	48
Henan Acting Governor Signs Decree on Enterprises [Zhengzhou Radio]	49
Hubei Appoints Jia Zhijie Acting Governor [Wuhan Radio]	49
Hunan Commentary Views Regular, Sideline Jobs [Changsha Radio]	49

Southwest Region

Guizhou Leaders Address Economic Work Meeting [Guiyang Radio]	49
Sichuan People's Congress Elections Reported [Chengdu Radio]	50
New Sichuan Governor Speaks on Development [ZHONGGUO XINWEN SHE]	51
Activities, Remarks of Sichuan Secretary Noted	52
Talks With Congress Delegates [Chengdu Radio]	52
Visits CPPCC Delegates [Chengdu Radio]	52
Financial Work Conference Opens in Lhasa [Lhasa TV]	53
Tibet Banking Work Conference Concludes [Lhasa TV]	53
Tibet Autonomous Region Speeds Up Financial Reform [XINHUA]	54
State To Invest in Tibet's River Areas [XINHUA]	54
Yunnan Party Chief Speaks on Market Building [Kunming Radio]	55
Stresses Role of Trade Unions [Kunming Radio]	55

North Region

Chen Weigao Discusses Hebei Judicial Work [Shijiazhuang Radio]	56
Inner Mongolian Official Shen Xinfu Dies [NEIMENGGU RIBAO 19 Jan]	56
Nie Bichu Addresses Tianjin Scientists' Meeting [Tianjin Radio]	56
Tianjin Municipality Holds Court Work Conference [Tianjin Radio]	57
Report on Development of New Tianjin Bonded Zone [XINHUA]	57
Foreign-Funded Firms Open in Tianjin Zone [XINHUA]	58

Northeast Region

Sun Weiben Addresses Propaganda Officials Meeting [Harbin Radio]	58
Heilongjiang Issues Road Transport Regulations [Harbin Radio]	59
Jilin Reports Labor Affairs Reform Measures [Changchun Radio]	59
Jilin State Firms Implement Labor Contract System [Changchun Radio]	59

Northwest Region

Regional Resettlement Betters Farmers' Prosperity [CHINA DAILY 13 Feb]	60
Qinghai Secretary on 1993 Principal Party Work [Xining Radio]	60
Xinjiang Foreign Investments Increase Rapidly [XINHUA]	61

Market Economy, Enterprises in Xinjiang [XINJIANG RIBAO 27 Jan]	62
Xinjiang Secretary on Commerce Administration [Urumqi TV]	63
Xinjiang Cargo, Passenger Handling Figures [XINHUA]	63
XINJIANG RIBAO Satellite Ground Station Opens [XINJIANG RIBAO 27 Jan]	64

TAIWAN

Lawmakers Show 'Concern' About U.S. Sanctions [CNA]	65
Government Prosecutes Copyright Violators [CNA]	65
U.S. Customs Officials To Train Local Officers [CNA]	65
Central Bank To Open Office in New York [CNA]	65
Daily Announces Japanese Labor Ministerial Visit [Tokyo KYODO]	65
Government Officials To Attend Meeting in Japan [Tokyo KYODO]	66
Taiwan Considers GATT Ties With Japan [Tokyo KYODO]	66
Government Delegation To Attend Moscow Meeting [CNA]	67
Legislative Yuan To Vote on Premier 23 Feb [CNA]	67
Ministry Encourages Investment in Latin America [CNA]	68
Steel Corporation Warns of Dumping Practices [CNA]	68
Productivity, Labor Costs Affect Competitiveness [CNA]	68
Nation Ranks First in Foreign Exchange Reserves [CNA]	68
Central Bank Reports Figures [CNA]	69

HONG KONG & MACAO

Hong Kong

McLaren, Lu Ping Discuss Resuming Official Talks [Hong Kong HUA CHIAO JIH PAO 15 Feb]	70
Government Confirms Contacts [Hong Kong Radio]	70
Spokesman Comments on Talks [AFP]	70
Papers Predict 'Reopening' of Talks on Reforms	71
Announcement Within 3 Days [TUNG FANG JIH PAO Hong Kong 16 Feb]	71
Announcement Possible 18 Feb [Hong Kong TA KUNG PAO 17 Feb]	72
Executive Council Delays Decision on Reforms [Hong Kong SOUTH CHINA MORNING POST 17 Feb]	72
Editorial on Legco's Authority on Reform Package [Hong Kong WEN WEI PO 16 Feb]	73
PRC Officials Deny Change in Position	74
Local XINHUA Deputy's Denial [Hong Kong TA KUNG PAO 17 Feb]	74
State Council Official's Denial [Hong Kong TA KUNG PAO 16 Feb]	75
New XINHUA Deputy Director Attends Forum [Hong Kong TA KUNG PAO 16 Feb]	76

General

Article on Deng Xiaoping's Policy on U.S., UK

HK1702080193 Hong Kong TANGTAL in Chinese
No 23, 15 Feb 93 pp 26, 27

[Article by Ho Po-shih (0149 0130 2457): "Exercise Caution Toward United States, Get Tough With the UK—Deng Xiaoping's New Directives on Foreign and Domestic Affairs"]

[Text] According to an authoritative source, after the 14th CPC Congress, Deng Xiaoping called together all members of the Political Bureau Standing Committee for a talk on foreign affairs. The specific contents of the talk involve his views on the new Clinton administration in the United States and the need to adopt different strategies and tactics against French sales of fighters to Taiwan and the British Government's support for Chris Patten's constitutional package.

The UK and Chris Patten Represent a Weak Link

It can be seen from this reported talk that the starting point for Deng's diplomacy is still the existence of an international united front (also called an anti-China chorus) encircling China, and that, therefore, China should adopt Mao Zedong's tactics of "snapping off one finger rather than wounding nine" or, as Mao put it, "concentrate forces to attack one point," namely the weak link.

It is natural that the UK and Chris Patten should have been selected as the "weak link." What is worth analyzing is that Communist China's tough line against Chris Patten, such as "not giving way by an inch," "fighting to the finish," and "setting up another stove," has caused growing panic in Hong Kong political and commercial circles and among ordinary people. However, on the mainland, those intellectuals with inside knowledge of Patten's "constitutional package" have increasingly welcomed Patten, holding that it does not violate the principle of "one country, two systems." Since China is conducting reform, Hong Kong should also be allowed to conduct reform. From his prison cell some time ago, Chen Ziming, who can now read books and newspapers, gave the following judgment on the Hong Kong issue: "The Hong Kong issue is neither one for Deng Xiaoping and the Hong Kong Government nor one for Chris Patten and the Hong Kong Government. It is rather an issue for the people of the mainland and Hong Kong."

China originally thought that it could recover its status as a signatory state to the GATT in March. Because of opposition from countries headed by the United States, China recently received Deng's directive that "we might as well delay joining the GATT." China has obviously made concessions during the talks, which is also in keeping with its foreign policy toward the new U.S. administration. Like Mao Zedong, who entertained Kennedy [as published] the premier imperialist chieftain

in 1972, Deng Xiaoping also intends to improve relations with the largest capitalist country and is willing to make concessions. Although the United States was the first to sell military aircraft to Taiwan, Deng has not punished it as he has France. He has not closed its consulate or torn up any trade agreements.

Deng's "Three No's Doctrine"

It has been relatively calm in the ideological field in the wake of the 14th party congress. Antileftists have published a book, "Memorandum on Guarding Against 'Leftism,'" through the Shuhai Publishing House in Shanxi, and this has given rise to a concerted attack by leftist figures, who continue to lodge complaints against Ding Guangeng, the new head of the Propaganda Department of the CPC Central Committee. But Ding has so far not declared where he stands, and the book has been distributed and sold as usual. Not only have the 50,000 copies published in the first edition been sold out, but another 20,000 copies are being printed. Of the 30 provinces and municipalities, only Sichuan has instructed Xinhua stores in the province to withhold over 1,000 copies of the book.

Someone summed up Deng's ideological position after the 14th party congress as the "three no's doctrine," i.e., no reversal of verdict (it is impermissible to reverse the verdict on the 4 June incident), no action (no actions should be taken against those leftist figures who have committed leftist errors, but proper arrangements should be made for them), and no arguments (there should be no arguments on whether something is surnamed "socialism" or "capitalism" or "leftist" or "rightist"). One can draw the appropriate conclusions by observing the ideological phenomena in Communist China after the 14th party congress.

Gao Di, Wang Renzhi, and He Jingzhi are reported as being made Standing Committee members at the Eighth National People Congress [NPC]. This is indeed a manifestation of the utmost solicitude.

There Are Still Plots in the Ideological Field

But the "three no's doctrine" do not in any way mean that a laissez-faire attitude will be adopted toward ideology. It has been learned that the Eighth NPC will set up a cultural work commission to strengthen leadership over various departments in the ideological field. There are still many vacancies in cultural posts in the wake of the 14th party congress. This is because the Political Bureau and the Standing Committee should first make arrangements for leading cadres in economic departments in various provinces and municipalities and will therefore have no time to discuss cadres for the various ideological departments. Recently, Jin Huiming, director of the Theoretical Bureau of the Central Propaganda Department, also known as the "pollution-elimination professor" (during the campaign to eliminate spiritual pollution, he was hurriedly promoted to professor by the People's University of China, and the

person making the recommendation was none other than a professor slated for criticism), notified his leftist colleagues by saying, "whoever wants money should apply quickly."

As it happened, the central authorities had approved a sum of over 10 million yuan as a social sciences research fund under the management and distribution of Hu Sheng, president of the Chinese Academy of Social Sciences. Since Hu refused to have anything to do with the matter, the fund was controlled by Wang Renzhi. Within this period, Deng Liquan alone approved informal notes amounting to over 1 million yuan. Since Wang was transferred from the Central Propaganda Department, the fund is being managed by Jin Huiming for the time being. It is said that the money will be controlled by Zheng Bijian, first deputy head of the Central Propaganda Department. Consequently, Jin urged his colleagues to apply for money quickly. This is also a manifestation of a lack of order in the ideological field.

Article Views Impact of EC Unified Market

OW1002131993 Nanjing XINHUA RIBAO in Chinese
29 Jan 93 p 5

[Article by Tang Chongyuan (3282 1504 3293) and Li Jun (2621 0193): "EC Unified Market's Impact on China"]

[Text] Beginning 1 January 1993, the EC is to become a highly developed unified economic cooperative region with a population of 380 million and covering 2.6 million square km. With the establishment of the unified market, the EC will gradually effect changes in various areas: Abolishing tariff barriers and boundary controls within the EC; allowing the work force and capital to circulate freely; lifting controls on telecommunications, aviation, banking, and insurance; stepping up environmental legislation; and enforcing the ISO 9000 [International Organization for Standardization] quality standards extensively.

The EC is China's third largest trading partner. According to Chinese customs statistics, China's trade with the EC totaled \$15.14 billion in 1991, or 11.15 percent of the total volume of foreign trade. Despite the abolition of trade barriers within the unified market, the EC is likely to increase its block trade protectionism. As a matter of fact, as a result of the dissolution of the Soviet Union and changes in the East European situation, China has become the country on which the EC has imposed the most severe restrictions. With the formation of the unified market, the EC will continue to enforce its trade restrictions and further emphasize the principles of equality and reciprocity. So far, the EC's main trade protectionist measures include: antidumping taxes, quantity ceilings and quotas, which are complicated by harsh technical standards, and trivial monitoring and control regulations. These trade protectionist measures have constituted a formidable obstacle to China's efforts to expand exports to Europe. Take, for

instance, antidumping measures. Between the 10 years from 1979 to 1988, the EC filed a total of 23 antidumping lawsuits against Chinese products. Since 1988, the rate of lawsuits has increased drastically, with a total of 16 filed in the three years ending December 1991. To break the EC's strong trade protectionism and unified market and to ensure sustained development of China's economic cooperation and relations with the EC, we should pay close attention to work in the following fields:

An overall strategy toward the EC should be formulated as soon as possible for guiding the development of China's economic and trade relations with the EC, while a multipolarized strategy of trade should be implemented for guaranteeing sustained and stable growth of Chinese exports.

We should attach great importance to studying specific topics related to the EC's unified market, and to collecting, sorting out, and publishing relevant materials. We should collect materials concerning the EC's market management and technical laws and regulations of relevant merchandise; we should systematically collect and study EC product specifications; we should organize enterprises concerned to manufacture products for export Western Europe according to the ISO 9000 and EC standards; we should step up studying the EC's antidumping laws and other trade protectionist measures; and we should propose countermeasures to be used as reference by Chinese foreign trade companies and enterprises.

We should select useful projects for investments at appropriate points in Europe. Based on China's industrial advantages and access to loans, we should invest in projects and build factories that require small investments and a short construction cycle, but that can yield quick economic returns at selected points in Europe, thereby joining the international production system step-by-step and spurring exports of Chinese products, labor services, and technology.

We should promote internationalized management among overseas enterprises and bring their role into full play. China's existing import-export companies should develop themselves into genuine international trade companies through international management. We should also apply economic means to amalgamate scattered, unrelated, or mutually competitive overseas enterprises and organize them into multinational corporations in a bid to utilize the advantages of centralized conglomerates to break the EC's trade protectionism.

We should strengthen economic and technical cooperation with major enterprises in Western Europe, and we should make friends with a wide range of entrepreneurs for promoting common economic and trade development.

'News Analysis' on Iranian Economy, OPEC
OW1502213493 Beijing XINHUA in English 2037
GMT 15 Feb 93

[*"News Analysis" by Ge Xiangwen: "Iran's Ailing Economy Needs More Oil Money"*]

[Text] Tehran, February 15 (XINHUA)—Iran has cried for cut in oil production of the Organization of Petroleum Exporting Countries (OPEC), but it has all along, like other members, been producing above the quota to earn badly needed hard currencies for its ailing economy.

The latest quota for Iran, which was determined in Vienna in November last year by OPEC oil ministers, was 3.49 million barrels per day (BPD). However, Iran's output in December was about 3.8 million BPD.

Iran has its own reasons for the overproduction, said Saudi Arabia, another major OPEC member. It produced about 8.5 million BPD while its quota was 8.39 million BPD.

Productions above the ceilings set by OPEC have been normal practises of the OPEC members, each of which asks others to cut outputs while increasing its own.

Iran also believes it is unfair to allow Iran, with a population of almost 60 million, to produce only 3.49 million BPD while permitting Saudi Arabia, with a population of some 12 million, to produce 8.39 million BPD.

Iran's production of oil covers about 12 percent of the total output of OPEC while Saudi Arabia increased from the 25 percent before the Iraqi invasion of Kuwait in August, 1990, to 36 percent last year.

Iran does not enjoy the position to persuade other OPEC members to alter the decisions in OPEC meetings. Nevertheless, it will not abide by these decisions which it considers as bias.

According to the estimates of oil experts, the world demand for OPEC oil stands at about 24.4 million BPD while the real output of OPEC has reportedly reached 2.49 million BPD and will increase to 26.6 million BPD in the second quarter of the year.

It is a common sense that over-production leads to lower prices, but nobody has been ready to take the lead in reducing their output seriously in order to bolster prices which were projected by OPEC at about 21 dollars a barrel as the 12-member cartel's benchmark price.

As a result, oil prices have steadily fell from 18.5 dollars in November and December to less than 17 dollars at present.

To check further fall of oil prices, ministers of the OPEC members are meeting in Vienna to discuss mainly proper cuts in their productions to bolster prices.

Observers here believe that the 12 members, especially Iran and Saudi Arabia, might reach some compromises in their shares of cuts, but no earnest action is likely be taken in this respect.

In a recent interview with the local press, Iranian Oil Minister Gholam Reza Aqazadeh-Kho'i said the oil output of Iran in September last year reached 4.06 million BPD and it will be 4.5 million BPD to five million BPD this year.

Some analysts consider this as a threat to or pressure on other OPEC members as they believe that Iran's oil production fluctuated at about 3.4 million BPD last year.

But the threat is real because the Iranians have no other way to ensure a revenue which can keep the country's economy moving positively and repay its foreign debt running as high as 19 billion dollars.

According to official figures, the oil revenue makes up about 80 to 90 percent of Iran's foreign exchange earnings, fetching the country 16.7 billion dollars in 1990, 14.9 billion dollars in 1991 and 19.7 billion dollars in 1992.

But at the same time, the country imports 21.9 billion dollars in 1990, 27.4 billion dollars in 1991 and 28 billion dollars in 1992.

The share of oil revenue in the national budget for next Iranian year (starting from March 22) covers 67.2 percent of the total against the share of taxation of 23 percent and other revenues of 9.8 percent.

The year of 1993 is crucial for Iran, because on one hand it has to repay most of its foreign debt, short-term and middle term borrowed from Germany, Italy, Japan and some other countries, and on the other hand it can not make the ends meet.

A rough estimate of the press here say that Iran will import at least 26 billion dollars of goods in 1993 if the government is to make strict control.

At the same time, the government is taking risk to singlize the exchange rate of hard currencies which have been kept artificially in four rates for the past several years.

The official rate runs at about 70 rials to one U.S. dollar, the competitive at about 600 rials, the floating rate at about 1,450 rials and the black market rate at about 1,500 rials.

The government needs a large amount of hard currencies to control the exchange market to bring down the rate at about 1,100 rials to one dollar, but it has only about three billion foreign exchange reserves, according to private estimates.

Desperate efforts will be made by the Iranian Government to collect as much as possible funds for boosting the economy. To win an economic success in near future, the Iranians has to sell as much oil as it can.

However, it is expected that Iran, the number two producer in OPEC, is likely to go along with a trim of a few hundred thousand barrels from the quota of 3.5 million BPD.

In Vienna, the OPEC oil ministers met today to persuade Kuwait to accept an agreement to cut oil production in the spring to prevent a slide in crude prices.

The ministers have appeared near agreement several times but later said that more work was still needed.

OPEC groups Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela. Ecuador recently left the cartel.

Wei Jianxing Leaves for Pakistan, Thailand

OW1502105593 Beijing XINHUA in English 1035 GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—A Chinese delegation of supervisors headed by Minister of Supervision Wei Jianxing left here today for a two-week visit to Pakistan and Thailand.

Wei is also member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), member of the Secretariat of the Party Central Committee and secretary of the Central Commission for Discipline Inspection.

United States & Canada

Government Assesses President Clinton's Policy

HK170215093 Hong Kong TANGTAI in Chinese No 23, 15 Feb 93 pp 29-31

[Article by Suma Hong (0674 7456 1347): "China Assesses Clinton's China Policy"; first paragraph is TANGTAI editor's note]

[Text] Around the time Clinton assumed power, China's foreign affairs department made an overall assessment of the diplomatic strategy Clinton might adopt in the future. This article is an excerpt of the assessment report.

Although the bipolar pattern has disappeared since the end of the cold war, and China's status and role in the strategic relations among the United States, the Soviet Union, and China have declined to a certain extent, peace still does not reign throughout the world; and, whether they are judged from the perspective of global, regional, or bilateral relations, U.S. interests in China are still of paramount importance.

China's Role Is Still of Paramount Importance

Multilateral organizations will play an increasingly greater role in the world as a whole. In view of the fact that China has the right of veto as a permanent member of the UN Security Council, China's agreement is indispensable when the United Nations deals with significant

international affairs. When the United Nations took action in handling the issues of the Balkan countries and Cambodia, China's support was necessary.

China's cooperation is also indispensable in global environmental protection. China is a large developing country, in which approximately 70 percent of industrial fuel and electric generation and 90 percent of household energy depend on coal. In Asia, China must participate in the movement to restrict acid rain and prevent global warming.

China is a country that sells inexpensive but effective weapons to some developing countries, and China also boasts the capability of supplying nuclear and missile technology. The United States also needs China's cooperation in such areas as arms control and the nonproliferation of technology for antipersonnel weapons.

China's Economic Development Is Conducive to the United States

Since Nixon initiated U.S. ties with China in 1972, the improvement of Sino-U.S. relations has been a cornerstone of peace and stability in Asia. Over several decades of confrontation between the two sides prior to that time, the United States endured a great deal of suffering in the Korean war and the Vietnam war. Since the summit meeting between Mao Zedong and Nixon, the United States has not become involved in a new war in Asia. The connection between the two sides has preserved peace in Korea, the Taiwan Strait, and other areas.

The stability of the domestic situation and economic development in China are also in line with the interests of the United States, the Asia-Pacific region, and even the entire world. During the current economic recession, exports are the motive force that maintains U.S. economic operations. If the rising Chinese economic group, including Mainland China, Taiwan, and Hong Kong, is considered as a trading entity, it became the United States' third largest trading partner in 1989. The increasingly close economic interdependence between Mainland China, Taiwan, and Hong Kong is creating new economic opportunities, and consumers in the United States are benefiting a great deal from this development, because it enables them to buy high-quality commodities at very reasonable prices.

Sino-U.S. Trade Has Great Advantages

Many reasons have led Clinton to announce that the United States will not adopt a policy of isolating China.

Regarding U.S. policy toward China, Clinton said in his first speech following the election that he favored imposing some restrictions on China's most-favored-nation [MFN] status until certain changes take place in the areas of human rights and trade, but he did not indicate what specific actions he would take. In his speech, he did not criticize the Bush administration for "doting" on China, nor did he attack Chinese leaders, which he had done occasionally in his speeches during

the election campaign. U.S. newspapers believe that Clinton is taking advantage of the transitional period to readjust the tough stance he took during the campaign, and that his attitude toward China's trade status has changed to a certain extent, allowing some leeway for alterations.

The idea of extending China's MFN status with additional conditions has been censured by many people who have insight and represent public opinion. The U.S. COMMERCIAL NEWS [shang ye ri bao 0794 2814 2480 1032] maintains that, if Clinton approves congress' decision to revoke China's MFN status next year [as published], it will disrupt the links between the United States and China, the most populated country in the world. This will prevent U.S. companies from entering a new huge market, and innumerable U.S. workers and consumers who benefit from trade with China will be adversely affected. U.S. companies, which sold \$19 billion worth of Chinese goods and exported \$6.2 billion worth of commodities to China last year, will suffer heavy losses. The newspaper also feels that China is simply too large to be wiped out economically. China's economic growth rate will reach 11.2 percent this year and, in accordance with this development rate, China's commodities and the output value of the service sector will be doubled in the 1990's so that it will become the third largest economic power in the world. As far as Clinton, who proclaimed himself an advocate of U.S. economic security, is concerned, he will find it totally nonsensical to barter away the enormous advantage of Sino-U.S. trade for the simply ineffective human rights strategy.

Clinton Will Not Isolate China

The United States is the only country that links MFN status with China's human rights situation, and this policy has become a major factor which damages bilateral relations. Moreover, if Sino-U.S. relations do develop smoothly, it would not only be detrimental to the interests of the two countries, but to the interests of the Asia-Pacific region and even to the entire world, as well. Today, many academics and political, industrial, and commercial figures think that it is time to review this policy. U.S. Congressman Lee Hamilton feels that the MFN status should not be a major factor affecting bilateral relations. He pointed out: "With regard to the entire state of U.S.-Chinese relations, the MFN status is an exceedingly weak support which we always depended on in the past. I think that, under the leadership of President-Elect Clinton, we will be able to extricate ourselves from this situation." Although Hamilton agreed with connecting trade with human rights, he thought that "the real issue was the extent of this connection." Kissinger has expressed a similar view. In his opinion, the United States should not exert excessive pressure on China, lest the relationship as a whole be disrupted, and the United States should define a limit within which progress can be made.

In view of the importance of Sino-U.S. relations, China has made great efforts to improve relations between the two countries. To help the United States reduce its trade deficit with China, China expressed a willingness to increase its imports of U.S. wheat, aircraft, and automobile components and parts. U.S. trade with China from January to September last year reached \$12 billion, increasing by 24 percent as compared with the same period of the previous year. China recently acceded to the "Nuclear Weapons Nonproliferation Treaty" and committed itself to complying with the regulations and parameters of the "Missile Technology Control Regime." In addition, China also showed concern for other issues which interest the United States.

People believe that Clinton will make some changes in his policy toward China's trade status for various reasons, primarily because his chances of being able to exercise his option of attaching additional conditions to the MFN status are quite slim, or at least any condition that is attached will not be allowed to be too harsh. A new relationship between China and the United States will be established.

Original Acts Concluded With Taiwan and Hong Kong Will Be Scrupulously Followed

How will the relations among the United States, Taiwan, and Hong Kong be maintained after Clinton assumes office?

Clinton has always been a pro-Taiwan politician and has visited Taiwan four times between 1979 and today. He has visited Hong Kong several times. Some people anticipate that, after he takes office, he will still abide by the "Taiwan Relations Act" and the "U.S. Hong Kong Policy Act" that were signed between Hong Kong and the Bush administration. Although economic and trade relations between the United States and Taiwan will be further intensified, due to the "three communiques" that define Sino-U.S. relations, there is a certain limit to close ties between the United States and Taiwan. The United States is also unlikely to support Taiwan independence. Clinton has supported Hong Kong Governor Patten's constitutional package, hoping that the United States will be able to exercise a "constructive role" on the issue of Hong Kong's future, but he will find it difficult to have a hand in it, as this is an affair between China and the UK.

Taiwan's foreign exchange reserve ranks first in the world and reached \$89.5 billion by the end of September this year [figure as published]. In 1991, the value of its exports reached \$76.2 billion and that of imports reached \$62.9 billion, holding the 12th and 17th places in the world, respectively. In 1991, the value of Taiwan's imports from the United States came to \$13.2 billion, and the U.S. trade deficit with Taiwan almost reached \$10 billion. Taiwan is the United States' sixth largest trading partner, and the volume of trade between them has surpassed that between the United States and Mainland China. Since 1991, Taiwan has started implementing the "Six-Year Program for Social Infrastructure Construction," with an estimated total input capital of

\$303 billion. Express railroads and nuclear power stations are some of the projects that are attractive to developed industrial countries, which are bogged down in economic recession. Regardless of China's pressure, some European countries, including the UK, France, and Germany, sent senior officials to visit Taiwan, lobbying for contracts on the projects in this large-scale program. The United States, unwilling to lag behind, also lifted the ban and let Carla Hills, the U.S. trade representative and a ministerial-level official, visit Taiwan on 30 November. This was the first visit by a senior U.S. official to Taiwan since diplomatic relations were severed in 1979. In name, Hills went there to attend a meeting of U.S. and Taiwan nongovernmental industrial and commercial organizations but, in reality, she not only met Li Teng-hui and Hsu Po-tsun, but also held substantive talks with the individuals in charge of economic, financial, communications, and other departments. The situation in which negotiations on trade between the United States and Taiwan could not be directly conducted by government officials has ended. Clinton's administration will continue the contacts between officials of the two sides under a certain guise. Furthermore, the United States will continue to support Taiwan in its effort to join international economic and trade organizations.

On the issue of selling F-16 jet fighters to Taiwan, Clinton gave support to Bush's decision during the election campaign. It is anticipated that the first fighter will be delivered in the middle of 1996. Regarding this event, which violated the Sino-U.S. 17 August Communiqué, it is anticipated that special discussions will be continued between China and the United States during Clinton's tenure as president.

U.S., PRC Sign Memorandum on Satellite Safety

OW1302023393 Beijing XINHUA Domestic Service in Chinese 0858 GMT 12 Feb 93

[By correspondent Zhang Lihui (1728 7787 6540) and reporter Xu Jingyao (1776 0079 6460)]

[Text] Beijing, 12 Feb (XINHUA)—A "Memorandum on Satellite Technology Safety" was signed by the Chinese and U.S. Governments in Beijing yesterday and became effective immediately.

The memorandum was signed by Sun Jiadong, chairman of the Science and Technology Committee of the Chinese Ministry of Aeronautics and Astronautics Industry, and J. Stapleton Roy, the U.S. ambassador to China, on behalf of the two governments. The agreement stipulates the safety rules to be observed when launching U.S.-made satellites in Chinese territories. It will have an important bearing on further cooperation between China and the United States in space technology.

It was learned that in December 1988 and January 1989, the two governments signed memoranda for three agreements on satellite technology safety, satellite launching responsibility, and international trade in commercial

satellite launching services. Those agreements have laid a good foundation for the promotion of cooperation between the two countries in the field of space technology. The new agreement replaces the earlier Satellite Technology Safety Agreement signed in December 1988.

At the signing ceremony, J. Stapleton Roy said: The U.S. Government and the American people hope to continue cooperation with China in the commercial utilization of space. The agreement just signed will enable customers who buy U.S.-made satellites to consider selecting China for launching services. Therefore, it is good news for the U.S. satellite industry and the Chinese satellite launching industry. Sun Jiadong expressed the view that China would further promote cooperation between the two countries in the field of high technology.

Report on Albert Gore's Role in Space Projects

OW1302223293 Beijing XINHUA in English 2144 GMT 13 Feb 93

[Text] Washington, February 13 (XINHUA)—U.S. Vice President Albert Gore has assured some congressmen that the space station program will get full funding under the government's fiscal 1994 budget.

The move on Friday [12 February] by the vice president, believed to be a key figure in the Clinton administration's science and technology policy domain, was reported today in the American media.

The budget, Gore told at least three lawmakers, will recommend full funding of 2.25 billion dollars for the National Aeronautics and Space Administration's (NASA) space station project.

The funding would be part of an overall NASA budget of at least 16 billion dollars. And the figures, according to a WASHINGTON POST report, were confirmed by administration sources.

The word came after a week of confusion beginning with reports that Clinton's budget director, Leon Panetta, had proposed to kill both the space station and the superconducting super collider.

It also followed two days of rumors that the President would call for a 40-percent spending cut to 1.35 billion dollars for the observatory supposed to be permanently manned by the decade's end.

The 30-billion-dollar space station and the 8.2-billion-dollar super collider are the nation's biggest science projects, wholly or largely dependent on the government's funding.

The station, administered by NASA's Johnson Space Center in Houston, and the collider, being constructed in Waxahachie, are considered to be important for the local economy of Texas.

Therefore, Texas Representative Jack Brooks was told by the President that the space station project would continue if costs could be controlled, THE NEW YORK TIMES reported.

"The goal is to find a way to maintain the tremendous opportunities in science and technology from the space station, but also confront the serious problems of cost control and management that we have seen in the program," Maria Romash, a spokeswoman for Gore, was quoted as saying.

Clinton, who discussed economic issues, including the station's budget, with two dozen congressmen on Friday, said he would announce the government's position on the station on Wednesday.

The President is scheduled to address the nation about his economic plan and he suggested that supporters of NASA should be pleased with his budget recommendations.

In a related development, John Aaron, the head of the space station project at the Johnson Space Center, quit two hours after Senator Bob Krueger demanded his ouster on Friday.

Krueger, a democrat from Texas, blamed Aaron for a 500-million-dollar cost overrun at the center that had been disclosed earlier.

Correction to Examination of Sino-U.S. Relations *HK1202030993*

The following correction pertains to the item headlined "Journal Examines Sino-U.S. Relations," published in the 11 February China DAILY REPORT, pages 6 and 7:

Column one, first paragraph, third sentence, make read: As a result, Sino-U.S. relations fell to a low. Later, some people.... (rewording)

Northeast Asia

Materials, Equipment Group Ends ROK Visit

SK1502142493 Beijing China Radio International in Korean 1100 GMT 15 Feb 93

[Text] The Chinese Ministry of Materials and Equipment delegation led by its minister, Liu Suinian, left Seoul and returned home on 14 February after ending its 11-day visit to the ROK.

During its stay, the Chinese Ministry of Materials and Equipment delegation held talks with the ROK Ministry of Trade and Industry. Both sides agreed that the two countries have recently developed trade and economic cooperation rapidly and in a balanced way, and that both countries have many reserves to cooperate in various fields. Both sides agreed to increase cooperation between the Chinese Ministry of Materials and Equipment and the ROK Ministry of Trade and Industry, and presented ways to negotiate, carry out exchanges between people

and information, and promote mutual contacts and visits between related businesses.

During its stay, the delegation inspected some ROK companies, examined the ROK's tertiary industries, and paid a courtesy call on Choe Kak-kyu, ROK deputy prime minister and minister of the Economic Planning Board. Choe Kak-kyu said that cooperation between the Chinese Ministry of Materials and Equipment and the ROK Ministry of Trade and Industry will be progress very successfully.

The Chinese Ministry of Materials and Equipment delegation had arrived in Seoul on 3 February upon the invitation of the ROK Ministry of Trade and Industry.

Mongolian Premier Discusses Bilateral Ties

OW1302145193 Beijing XINHUA Domestic Service in Chinese 1210 GMT 12 Feb 93

[By reporter Bataercang (1572 1044 1422 0221)]

[Text] Ulaanbaatar, 11 Feb (XINHUA)—Puntsagiyn Jasray, prime minister of the Mongolian Government, said on 11 February: The foundation for cooperation between Mongolia and China has been laid. Such cooperation has good prospects for development.

The Mongolian prime minister made the remark during a meeting with the PRC ambassador to Mongolia, who is due to depart soon.

Prime Minister Jasray reviewed the development of bilateral relations in recent years. He stressed: Relations between the two countries have entered a new period of development. In the future, the Mongolian Government and people will continually and persistently pursue the policy of enhancing bilateral friendship, relations, mutual benefits, and cooperation between Mongolia and China. They wish to further develop friendly and cooperative relations with China on the basis of international principles characterized by equality, mutual benefits, and respect. He stated: As adjacent countries, Mongolia and China have a great potential for developing mutually beneficial cooperation.

Southeast Asia & Pacific

Philippine Foreign Secretary Romulo Pays Visit

Manila Departure Noted

OW1702082193 Beijing XINHUA in English 0809 GMT 17 Feb 93

[Text] Manila, February 17 (XINHUA)—Philippine Foreign Affairs Secretary Roberto Romulo left here today for Beijing for a five-day official visit to China.

Officials of the Department of Foreign Affairs said that trade and economic cooperation will dominate the discussions between Romulo and the Chinese leaders.

During his trip, Romulo also will lay the groundwork for President Fidel Ramos' state visit to China scheduled in April.

Greeted by Xu Dunxin

*OW1702113693 Beijing XINHUA in English 1105
GMT 17 Feb 93*

[Text] Beijing, February 17 (XINHUA)—Roberto R. Romulo, secretary of foreign affairs of the Republic of the Philippines, arrived here this afternoon on a five-day official visit to China at the invitation of Chinese State Councillor and Foreign Minister Qian Qichen.

This is Romulo's first visit to China since he became foreign minister last July.

He was greeted by Chinese Vice-Foreign Minister Xu Dunxin at the airport.

Agenda for Visit Previewed

*OW1702121093 Beijing XINHUA in English 1134
GMT 17 Feb 93*

[Text] Beijing, February 17 (XINHUA)—Roberto R. Romulo, secretary of foreign affairs of the Republic of the Philippines, arrived here this afternoon on a five-day official visit to China at the invitation of Chinese State Councillor and Foreign Minister Qian Qichen.

This is Romulo's first visit to China since he became foreign minister last July.

He was greeted by Chinese Vice-Foreign Minister Xu Dunxin at the airport.

According to official sources, Romulo is scheduled to hold talks with his Chinese counterpart Qian Qichen tomorrow morning.

Tomorrow afternoon, Wan Li, chairman of China's National People's Congress Standing Committee, and Premier Li Peng are expected to meet with him respectively.

Romulo is also expected to meet with officials from the China Council for the Promotion of International Trade and the Chinese Ministry of Foreign Economic Relations and Trade during his stay here.

Apart from Beijing, he is also scheduled to visit Shanghai.

Indonesian Vice President Meets Trade Delegation

OW1402111593 Beijing XINHUA Domestic Service in Chinese 1230 GMT 11 Feb 93

[By reporter Zhao Xinkao (6392 2450 5072)]

[Text] Jakarta, 11 Feb (XINHUA)—Indonesian Vice President Sudharmono said today that China may establish commodity export bases in Indonesia and then market processed goods to Europe and America.

Sudharmono made this statement at a meeting here with members of a delegation from the China Council for the Promotion of International Trade headed by Zheng Hongye, president of the council.

Sudharmono said: Both China and Indonesia are large Asian countries and share many similarities. China has great potential in terms of technology and capital, and Indonesia has ample resources. The Indonesian Government welcomes Chinese investment in Indonesia. Our two countries should accept future challenges by intensifying cooperation on the basis of reciprocity.

Sudharmono added: The development of personnel contacts and economic and trade relations between the two countries was rapid soon after the two countries reestablished diplomatic ties. The Indonesian Government supports the rapid development of relations between the two countries and hopes that the development of the two countries' relations, especially their economic and trade relations, can be accomplished even more rapidly.

Zheng Hongye said: China is willing to develop economic and trade cooperation and two-way investment with Indonesia on the basis of equality, reciprocity, and mutual respect. China welcomes Indonesian entrepreneurs' investments in China, and China also welcomes its entrepreneurs' investments in Indonesia.

The Chinese delegation began its goodwill visit in Indonesia on 9 February at the invitation of the Indonesian Chamber of Commerce.

Near East & South Asia

Reportage on NPC Delegation's Visit to Pakistan

Lahore Mayor Fetes Group

*OW1302174793 Beijing XINHUA in English 1500
GMT 13 Feb 93*

[Text] Lahore, Pakistan, February 13 (XINHUA)—Mian Abdul Majid, mayor of Lahore, capital of Pakistan's Punjab Province, today held a civic reception here in honor of the Chinese delegation of the National People's Congress led by its Standing Committee vice chairman Seypidin Aze.

The mayor said the Pakistan-China friendship, based on mutual trust and mutual respect and on common interests and objectives, is ever lasting.

He said he was proud of the Pakistan-China friendship which is deeply rooted among the hearts of the people of the two countries and becomes a model for relationship between countries.

He believed that such friendly cooperative ties would be further strengthened.

On the occasion, the Chinese delegation leader Seypidin said China and Pakistan are close neighbors and the two countries adhere to the Five Principles of Peaceful

Co-existence in developing the relationship which has been time-tested and is in line with the interests of the two peoples.

He reiterated that China will, as always, treasure its friendship with Pakistan and continue to develop good neighborly relations with it.

The Chinese people will remain the reliable friends of the Pakistani people for ever, he assured.

The delegation arrived here Friday [12 February] from Islamabad where it met top Pakistani leaders including President Ghulam Ishaq Khan and Prime Minister Nawaz Sharif to discuss bilateral, regional and international issues.

The delegation, which started its week-long visit to Pakistan on February 8, was invited by Pakistan National Assembly Speaker Gohar Ayub Khan.

Official: China 'Reliable Friend'

OW1402165393 Beijing XINHUA in English 1634
GMT 14 Feb 93

[Text] Karachi, Pakistan, February 14 (XINHUA)—Acting speaker of Pakistan's Sind Provincial Assembly Atta Muhammad Murri said today Pakistani people always consider China as their most reliable friend.

At a meeting with the Chinese delegation of the National People's Congress (NPC) led by its Standing Committee Vice Chairman Seypidin Aze here this evening, the acting speaker said the Pakistan-China friendship is not in name but in deed and such friendship is the most precious in the world today.

The Chinese delegation leader said on the occasion that China cherishes the profound friendship with Pakistan and believed the NPC delegation's visit would make contributions to the further cementing of the amicable and friendly relations between the two countries.

Earlier Saturday night in Lahore, provincial capital of Punjab, from where the Chinese delegation flew in, the delegation met Punjab Chief Minister Gulam Haider Wyne who said Pakistan and China are friends in deed and whatever may happen in the world could not affect the amicable friendship between the two countries.

The Chinese delegation which began its goodwill visit to Pakistan on February 8, earlier also visited Pakistan's capital of Islamabad.

The delegation is leaving here Monday night for home.

Delegation Returns to Beijing

OW1602074593 Beijing XINHUA in English 0644
GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—The delegation from the Chinese National People's Congress [NPC] led

by Seypidin Aze, vice-chairman of the NPC Standing Committee, returned here by air today after a goodwill visit to Pakistan.

The delegation was greeted at the airport by member of the NPC Standing Committee Yang Bo and NPC Deputy Secretary-General Li Zhongying as well as diplomatic envoys of the Pakistan Embassy here.

Friendship Delegation Concludes Bangladesh Visit

OW1402161493 Beijing XINHUA in English 1511
GMT 14 Feb 93

[Text] Dhaka, February 14 (XINHUA)—A delegation of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) left here today for India after a four-day visit to Bangladesh.

The five-member delegation headed by Han Xu, president of CPAFFC, arrived here on February 10 for a good-will visit.

During its visit, the Chinese delegation called on the president of Bangladesh Abdur Rahman Biswar and held talks with ministers and high officials of the country, exchanging views on the issues of common interest.

The Chinese delegation visited Dhaka as well as the export processing zone in Chittagong.

The Chinese visitors came here from Pakistan on the second leg of their four-nation trip which also take them to India and Sri Lanka.

Yang Fuchang Visits Algerian Foreign Minister

OW1502032293 Beijing XINHUA in English 0301
GMT 15 Feb 93

[Text] Algiers, February 14 (XINHUA)—Yang Fuchang, a Chinese vice foreign minister in charge of Middle East and Africa affairs, had a meeting today with Algerian Foreign Minister Redha Malek.

During his four-day stay here, Yang will sign, as representative of the Chinese Government, an agreement on economic cooperation with the Algerian Government.

China, Israel Sign Science Cooperation Accord

OW1402160893 Beijing XINHUA in English 1506
GMT 14 Feb 93

[Text] Jerusalem, February 14 (XINHUA)—Israel and China today signed an agreement of cooperation in science and technology, the first since the two countries established diplomatic relations in January, 1992.

The agreement, signed by Prime Minister Yitzhaq Rabin and Li Xiaoshi, deputy head of the Chinese State Commission for Science and Technology, calls for cooperation in agriculture, electronics, civilian space technology, medical research and instruments and energy utilization.

Rabin told his Chinese guests after the signing ceremony that he believes cooperation between Israel and China will contribute to the interests of the two countries and peoples.

"We all hope that this frame of agreement will serve as a stimulus to future cooperation between the two countries in many fields of research and development," said the prime minister.

He said the visit by the Chinese science and technology delegation will "open a wide road for enterprises on both sides to find ways and means to work together."

"Let's hope for a good future for our countries and peoples," Rabin said.

Li Xiaoshi said Sino-Israeli cooperation in science and technology will "contribute much to the social and economic development of the two countries and to peace and progress of the human race."

'News Analysis' on Israeli Plans for U.S. Visit

OW1602171793 Beijing XINHUA in English 1538
GMT 16 Feb 93

["News Analysis" by Li Hongqi: "Israel Prepares Public Opinion for Christopher's Visit"]

[Text] Jerusalem, February 16 (XINHUA)—The government is preparing public opinion for the upcoming visit to the region by U.S. Secretary of State Warren Christopher.

The most obvious evidence is Prime Minister Yitzhaq Rabin's speech this morning to school students in Tel Aviv, in which he renewed his commitment to continuing the Middle East peace process.

The prime minister told the teenagers that Israel was prepared for a compromise with Syria over the Golan Heights and he himself was ready to take "calculated risks for peace and security."

"Peace with security will reduce the danger of war and terrorism," he stressed.

On the Palestinian issue, Rabin said that for the sake of preserving Israel's Jewish identity, his Labor Party would not try to annex the West Bank and Gaza Strip under Israeli occupation since 1967.

Earlier this week, government officials revealed that Israel was working on plans to ease the hardship of the Palestinian people under its rule, including release of more political prisoners.

This is nothing new but such remarks do carry weight when the secretary of state of the new U.S. Administration is about to set foot in the region.

But Israel does not like the deportation issue to be included in Christopher's agenda. Officials insist that the two-month crisis is over after the U.N. Council accepted Israel's compromise offer and that it is time for all the parties to return to the negotiation table.

Israel deported 415 Palestinians to a no-man's land in south Lebanon on December 17, but has taken back 17 either mistakenly expelled or sick.

Under mounting international pressure, the Jewish state on February 1 offered to repatriate 101 of those still in south Lebanon immediately and the rest within this year.

On February 12, the U.N. Security [Council] accepted the offer, saying that it represented a step toward the right direction. Meanwhile, the Council urged Israel to repatriate all the deportees as soon as possible.

None of the Arab parties to peace talks with Israel has voiced opposition to continuing the peace negotiations, but the Palestinians deportees insist that they be returned as a collective in line with U.N. Resolution 799.

That resolution, adopted on December 18, asked Israel to rescind its deportation order and get back all the deportees immediately.

The Israelis expect Christopher to help get the peace talks restarted. The Arabs, on their part, want the U.S. secretary of state to pressurize Israel into accepting at least a timetable for repatriation, sources here said.

Washington officials announced lately that Christopher would not bring with him specific proposals during his visits to Egypt, Jordan, Syria, Saudi Arabia, Kuwait and Israel.

However, there are fears here that Christopher might ask Israel to accept phrased repatriation of the deportees to convince the Palestinians to go back to the negotiation table.

It is believed that Israel will not easily commit itself to such steps unless all the Arab parties agree to resume the talks.

For any possibility, the government needs to prepare public opinion to whip up the people's awareness of the reality and to ward off attacks from the right-wing parties.

Political & Social

Dissidents Wang Dan, Guo Haifeng Paroled

OW1702101293 Beijing XINHUA in English 0956
GMT 17 Feb 93

[Text] Beijing, February 17 (XINHUA)—Wang Dan and Guo Haifeng, who were imprisoned for involving [as received] in the anti-government political disturbances in 1989, were released on parole today, according to respective decisions of the Intermediate People's Court of Beijing and the Kaifeng Intermediate People's Court in Henan Province.

So far, all the students who violated the criminal law during the anti-government disturbances in 1989 and were sentenced to different terms of imprisonment, have been released, according to sources here today.

Wang Dan, 23, a former undergraduate in Beijing University, and Guo Haifeng, 27, a former graduate student also in the university, were all sentenced to four years' imprisonment for violating the criminal law. Wang Dan's term started on July 2, 1989 and should come to an end on July 1, 1993 and Guo Haifeng's term should be from June 4, 1989 to June 3, 1993.

During the imprisonment, Wang Dan and Guo Haifeng observed prison regulations. The two local people's courts decided to release Wang Dan and Guo Haifeng on parole in accordance with the relevant stipulations of the criminal law and the law of criminal procedures of the People's Republic of China.

Shanghai Grants Zhu Hongsheng Penalty Reduction

OW1702103293 Beijing XINHUA in English 1020
GMT 17 Feb 93

[Text] Shanghai, February 17 (XINHUA)—Zhu Hongsheng, a former Catholic priest in Shanghai, was released here today due to a penalty reduction by the Shanghai Intermediate People's Court.

Zhu Hongsheng, now 76, was sentenced to a term of 15-year imprisonment for violating the Criminal Law.

In February 1988, the People's Court mitigated the sentence by three years in accordance with Article 71 of China's Criminal Law since he showed signs of repentance. In the same year, Zhu was released on bail for medical treatment.

The court decided to cancel the remaining years of imprisonment for Zhu and release him today in view of his behavior.

Some Topics Reportedly Banned in 'Major' Papers

HK1702071093 Hong Kong MING PAO in Chinese
16 Feb 93 p 66

["Special Dispatch": "The Central Propaganda Department Recently Issued a 'Document' on Several Topics on Which the Mass Media Is Not Allowed To Report"]

[Text] According to an informed source in Beijing, the propaganda departments are concerned about the mainland media trend of expanding their coverage when the tide of the "market economy" is surging forward. A document issued to various important newspapers by the CPC Central Committee Propaganda Department clearly listed items on which reporting is not allowed. In the meantime, the official media clearly showed a "left tendency" in promoting a new drive for "learning from Lei Feng."

It is learned that the three topics on which reporting is not allowed as required by the CPC Central Committee Propaganda Department document are foreign female workers, the civilian claim for damages from Japan, and horse racing in Guangdong, which means the lifting of the ban on gambling. It is said that the document was designed to "make sure that press reports are really based on facts and that the readers and public opinion will not be misled."

The "document" stated: Many Russian "women working on the mainland" are in fact "illegal workers," who entered China in violation of China's immigration laws and regulations. Some Russian women are even involved in the pornography trade. The reports on "foreign female workers" previously carried by many newspapers created a bad impression at home and abroad. Many reports were incorrect. Therefore, from now on, all important newspapers must not carry reports on "foreign female workers."

Regarding the civilian claim for damages from Japan, the "document" reiterated: The authorities' decision to give up the claim for damages from Japan is "correct." It is "normal" that the people still feel furious about the harm the Japanese imperialists caused the Chinese people in the war of aggression against China. But the document pointed out that the present civilian activities to claim damages fall into three categories: some people made justified and reasonable demands; some made "unrealistic demands"; while others "had an axe to grind" in making demands. Reasonable and justified demands should be reflected to the authorities through formal and legal channels, the document added, so that the problems will be solved with the assistance of the authorities. Important newspapers are invariably not allowed to report civilian activities to claim damages from Japan no matter which category they fall into.

The "document" stated that the report on the authorities allowing some areas to lift the ban on gambling previously carried by some newspapers was "misleading."

public opinion at home and abroad." The document reiterated that the government will not lift the ban on gambling and ordered that important newspapers must never report any activities of a lottery nature, including horse-racing, in Guangzhou.

As indicated by the informed source, as the "document" was only issued to various important state-run media units, it exercises limited restraint on local newspapers. Greatly influenced by the current "news reforms," local newspapers tend to enjoy a greater degree of freedom than "major newspapers" in Beijing, but the situation varies from place to place. For instance, major newspapers in Shanghai "refrain from stirring up trouble and from taking the lead in everything," as instructed by Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, and Mayor Huang Ju. Since the article by "Huangfu Ping" was circulated in the north two years ago, there have been no political essays carrying weight in Shanghai newspapers.

It is also reported that the current publicity campaign for "learning from Lei Feng" hinted that the authorities have further tightened their policy on media reporting. For instance, ZHONGGUO QINGNIAN BAO published in installments on 8 and 9 February an interview with Zhu Boru, a typical character in the campaign for "learning from Lei Feng" in the eighties and now an air vice marshal. Zhu spoke about the importance of learning from Lei Feng when a "market economy" is being developed, among other empty preaching. The official XINHUA even said in the form for subscribing for exhibition pictures about Lei Feng: In learning from Lei Feng, we must "take a clear-cut stand in adhering to the four cardinal principles and in opposing bourgeois liberalization," and must "resist the corrosive influence of bourgeois ideas, including 'individualism' and 'belief in the almightiness of money.'" Such ultra-left language was rarely seen in the last few years.

Authorities Prevent Sale of Book on Mao's 'Missing' Son

HK1702031393 Hong Kong THE STANDARD in English 17 Feb 93 p 10

[By S.L. Law]

[Text] The Chinese authorities have withheld permission for the sale of a biography on Mao Zedong's missing third son, Mao Anlong, saying it contains "problematic contents".

Entitled Mao Anlong—Son of Chairman Mao, the book said Mao was addicted to opium in the 1920s and ordered his son to disappear in 1960.

Jointly published by the People's Publishing House of Inner Mongolia and the New Era Publishing House of Hong Kong, the book was co-authored by Ma Jian, a controversial mainland writer and reporter living in Hong Kong.

"We examined the book in November last year, but up to now, no permission for public sale has been issued," an official from the Press and Publication Administration said. He said permission was withheld because of the book's "problematic contents".

The book said Mao Anlong, 66, was still alive and living in Hangzhou city of the eastern Zhejiang Province. He was said to have been using Ju Tao as a pseudonym.

Considerable space was devoted to Ju and the lives of his two elder brothers, Anying and Anqing, in hiding during the revolution.

In describing his life in the late 1920s when Mao was in the communist enclave of Jinggangshan, Ju said the chairman was once addicted to opium to relieve stomach ache. "People believed then that opium was a panacea. My father used it to relieve pain in the stomach and became addicted," he said.

Ju said he developed a strong dislike towards his father and was ordered by Mao to leave Beijing in 1960 for having voiced his opposition against the Great Leap Forward movement.

Mao's eldest son, Anying, died in the Korean War, the second, Anqing, is still alive, but in poor health.

Beijing Strengthens Control of Narcotics

OW1502084193 Beijing XINHUA in English 0807 GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—The Chinese Ministry of Public Health has adopted stringent measures to strengthen its control of narcotics in line with the international campaign against drug abuse.

The ministry has set up drug treatment centers at Beijing's Medical Sciences University and Anding Hospital, and a state-level laboratory for drug inspection.

Already there are several drug reliance treatment and recovery centers in Yunnan Province and drug-abuse monitoring stations in six provinces, including Yunnan, Gansu, Shaanxi and Guizhou.

Structural Reform Through 'Stable Endeavors'

HK1702005693 Hong Kong MING PAO in Chinese 12 Feb 93 p 8

["Special Dispatch": "Plan for Structural Reform of Chinese Government Organs Has Been Set, and the Number of Ministries and Commissions Under State Council Is Reduced to 40"]

[Text] According to a reliable source in Beijing, the plan for the reform of Chinese Government organs has been roughly set and the number of ministries and commissions under the State Council are to be reduced from the current 41 to 40. The plan will be submitted to the incoming central work meeting and the Second Session of the 14th CPC Central Committee for discussion in the

near future and, after being revised, it will be finalized at the First Session of the Eighth National People's Congress [NPC], which is to be held in March.

MING PAO learned that the specific contents of the reform plan are: Disbanding the Ministries of Light Industry and Textile Industry, merging the Ministries of Personnel and Labor under the name of the Ministry of Labor and Personnel; disbanding the Ministry of Materials and Equipment and merging it with the Ministry of Commerce under the name of the General Administration of Materials and Equipment; dividing the Ministry of Machine-Building and Electronics Industry into two—the Ministry of Machine-Building Industry and the Ministry of Electronics Industry; and dividing the Ministry of Energy Resources into three—the Ministries of Coal Industry, Petroleum Industry, and Power Industry. In all, four ministries will be disbanded and merged; three will be created; and the other ministries and commissions will basically remain unchanged ("the State Council Economic and Trade Office" will be upgraded to "the State Council Economic and Trade Commission.") Therefore, the number of ministries and commissions under the new State Council will be cut by just one, from 41 to 40.

MING PAO also learned: The State Council's structural reform plan has always been guided and designed by the Central Establishment [bian zhi 4882 0455] Commission headed by Li Peng. State Council Secretary General Luo Gan and Personnel Minister Zhao Dongwan (they are all Establishment Commission members) were among the actual doers of the plan. State Council Vice Premier Zhu Rongji also participated in the working out of the plan.

There are different plans for the State Council's structural reform. One of them favored slashing the ministries and commissions under the State Council by half; disbanding or merging all ministries with the exception of National Defense, Justice, Public Security, State Security, and other vital ministries; and setting up commissions for planning, economic relations and trade, agriculture, culture, and physical culture and sports by copying the establishment of Japanese cabinet organs. This is called the "thorough reform" proposal. The current proposal embodies the result of the reformers's compromise with the conservatives for fear of disorder in carrying out the structural reform through stable endeavors. This is called a proposal with "minor alterations."

Despite all this, the source said: The readjustments of organs at the departmental and bureau levels within the ministries, commissions, and bureaus directly under the State Council are expected to be a little bigger, with personnel staff to be slashed by one third. Of course, those affected in the personnel reduction scheme will not be required to quit their current posts immediately. They will be transferred to some administrative companies which are to be set up first and asked to operate independently within three years.

As far as the new State Council's personnel arrangements are concerned, one theory says no state councillors will be installed but more posts of vice premiers will be created. Personnel changes in various ministries and commissions will be considerably significant. It has been decided that Wu Yi will become minister of economic relations and trade [jing mao bu 4842 6318 6752]; Li Lanqing will become concurrently minister in charge of the State Commission for Economic Relations and Trade; current Executive Vice Minister Zhu Kaixuan was rumored to take the post of minister in charge of the State Education Commission; and after State Councillor Li Tieying is promoted to the post of vice premier, he will not concurrently hold the post of minister in charge of the State Education Commission.

The First Session of the Eighth NPC is scheduled to last 20 days from 15 March to 4 April. It has been reported that this year, the NPC will tighten control over journalists. In the past, Chinese journalists covering the NPC could naturally do the same with the CPPCC National Congress. This year, they will possibly be completely separated in the coverage, but journalists from Hong Kong, Macao, and Taiwan and foreign journalists will not be subject to this restriction.

Changing Government Functions Studied

HK1702082993 Beijing RENMIN RIBAO in Chinese
5 Feb 93 p 5

[Article by Li Chun (2621 3196): "Several Error Zones in Changing Functions"]

[Text] On the question of effecting a change in government functions, the following error zones should be avoided:

First, taking the change in government functions as one from the government merely performing administrative functions to concurrently performing the functions of administrative management, enterprise operation and management, and economic and technological services. This "one into three" is inappropriate in the following ways: 1) Instead of analyzing, forsaking, and changing the specific contents of government functions, the functions remain intact. 2) The government's business operation and integration of government administration and enterprise management are but a temporary transitional means adopted by the basic level organs of the poverty-stricken areas or county special economic departments in the course of turning themselves into economic and technological service entities rather than the ultimate objective or the direction of the government in changing its functions. If the transitional nature of this means is not clearly pointed out and analyzed, it will easily lead to integration of commercial operation and government administration and abusing power for personal gain, and will eventually result in monopoly, which will not be conducive to the development of all kinds of social economic service organizations and competition on an equal basis among them. 3) It is incorrect and also

impossible for the government to regard its involvement in specific economic and technological services as its own functions. If the governments at all levels do so, instead of streamlining administration, the government organs will be further expanded. It is necessary to have an integrated, accurate, and scientific understanding of the formulation "small government, big services" or "small organs, big services." "Small government" cannot undertake the "big services" which include specific economic and technological services. Some counties selected to undergo the experiment pointed out that "small government" should be responsible for indirect economic management, while "big services" should be undertaken by the economic and technological service entities or enterprise groups reorganized from the special government economic departments. Shanxi's Yuanping County proposed streamlining administration, changing functions, and realizing "small organs" as well as invigorating the cause, developing social economic and technological service organizations, and undertaking "big services." This practice is rather scientific.

Second, some government departments keep firm control of the powers that should be delegated and even continue to recall and intercept the powers delegated by the higher levels to the enterprises. With the old distribution of functions and management means, they hinder the change in enterprise mechanism and economic structural reform, deal with reform with a "sense of losing" after delegating powers, feel dispirited and slack, and artificially create setbacks and obstacles to reform. The cadres of these departments should correctly view the readjustment of interests and powers arising from reform, take the overall situation into account, consciously change their functions, and delegate their powers. They should understand that delegation of powers does not mean "losing," but exercising proper management over the economy from a higher plane, and it constitutes a leap from the "realm of necessity" to the "realm of freedom."

Third, some administrative companies reorganized from government departments have withdrawn from the government establishment in name, but actually are still performing government functions. Some have even exercised stricter management over the enterprises formerly under their jurisdiction, such as directly exercising control over production, supply, marketing, and human and material resources of enterprises; collecting management charges; and monopolizing sought-after goods; which have resulted in degradation of the enterprises. It is necessary to prevent and correct this tendency, which runs counter to the progress of reform.

Fourth, a small number of government departments leave their work unattended in the course of streamlining administration, delegating powers, and changing functions, which has caused a delay in work. In the past, our governments exercised management over a lot of affairs which were not within their responsibility and capacity. Regarding affairs which are not within their duties, government departments should transfer them to the

relevant social organizations or enterprises. Regarding affairs which the government cannot manage or cannot properly manage, it is necessary to make an analysis. If they are within the jurisdiction of the government, it is necessary to adopt measures to properly manage the affairs rather than leave them unattended.

Fifth, a tiny handful of localities try to integrate party committee leadership with government and enterprise operation at the township level and replace the township party committee and government with an "agriculture-industry-commerce joint company" or an "economic development corporation." This is tantamount to substituting enterprise operation for government management and enterprise operation for party leadership. Township party committees are party committees at the basic level and the township governments are China's organs of political power at the basic level. They must be strengthened and not weakened, still less replaced by enterprise offices. In economically developed localities, government administration should be separated gradually from enterprise management. In localities where the economy is still underdeveloped, the two should remain integrated for the time being. It is not suitable to force a separation at present.

It should be noted that because of the different tasks, nature of work, and range of management of the central, provincial, prefectural, county, and township governments, various means should be adopted to standardize and change the functions of the government and its departments at all levels. As China is a large country and there are great differences in economic and social development between all localities, particularly in nurturing and improving the market, there should be varying requirements for the timetable of functional changes in all localities. Nevertheless, the governments at all levels and the localities should stick to the orientation of separating government administration from enterprise management. Basic-level governments and poverty-stricken areas may adopt some flexible interim measures for a period, including integration of government administration and enterprise and institution management for the time being. However, this is not the target model. No government or locality may allow enterprises to undertake the functions of the party and government.

Sixth, improper interference by higher-level departments in the functional distribution and structural establishment of lower-level government departments. Regarding the organs which need not necessarily be set up, the practice of some departments casually issuing documents and inviting leading comrades to deliver speeches, and setting the prerequisite of not selecting lower-level organs as advanced units unless they offer outlay and materials, the lower levels are requested to establish relevant organs without considering from an overall point of view whether establishment of such organs is absolutely necessary and whether there is much work for them to do. While determining the functions and establishment of governments at all levels and their departments, the higher-level departments should take the

situation as a whole into account and vigorously support the functional changes and structural reform of the lower-level governments. So long as the lower levels are doing and implementing the work assigned by the higher-level departments, it is unnecessary to force the lower levels to establish related organs.

Mediation's Important Role in Beijing Judicature

*OW1502081893 Beijing XINHUA in English 0657
GMT 15 Feb 93*

[Text] Beijing, February 15 (XINHUA)—Beijing statistics show that people's mediation successfully handled about 1,500 serious disputes, which might have caused more than 2,800 deaths or injuries, in the capital of China last year.

People's mediation plays an important role in China's judicature. By intervening in disputes before they intensify, mediators can monitor and control various disputes and eliminate unstable elements.

Beijing now has 13,711 mediation committees with 196,633 mediators, who got involved in more than 116,000 disputes last year.

More than 84 percent of the mediators received professional training from the city's judicial departments.

To help people make and abide by "neighborhood pledge" has proved effective in avoiding and mediating disputes. In dongcheng district of the city, all 391 neighborhood committees have helped people living in the district make various "neighborhood pledges," greatly reducing neighborhood disputes.

Propaganda Unit Calls for Studying Deng Works

*HK1302083093 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0508 GMT 13 Feb 93*

[Text] Beijing, 13 Feb (ZHONGGUO TONGXUN SHE)—Some days ago, the CPC Central Committee Propaganda Department issued a circular requiring the propaganda departments of party committees at various levels to study Deng Xiaoping's original works.

This is one of the latest moves which have aroused great attention following the 14th CPC National Congress. A new book to be studied is entitled "Selected Excerpts of Deng Xiaoping's Expositions on Building Socialism With Chinese Characteristics," which is divided into nine sections to systematically reflect Deng's propositions.

Industrial Injury Insurance System Reformed

*OW1602135793 Beijing XINHUA in English 1323
GMT 16 Feb 93*

[Text] Beijing, February 16 (XINHUA)—A new system of industrial injury insurance for staff working in different enterprises has proved to be effective in 10 pilot provinces in China.

According to Han Liangcheng, an official with the Ministry of Labor, the new system has replaced the decades-old practice in which enterprises used to pay by themselves industrial injury and death allowances to their staff. Now they have turned to socialized insurance.

Under the new system enterprises pay premiums assessed on the dangers faced by their employees and the frequency of injuries.

Covered by insurance, an injured worker may receive an additional lump sum grant in compensation and draw disability pension regularly, based on the severity of the injury.

The families of workers killed on job may receive a grant based on service. The help includes funeral costs based on five months salary.

The system sets an 18-month limit for medical treatment on full pay, after which an injured worker will receive injury pension instead of salary.

The establishment of a unified fund has relieved enterprises of the financial burden for the injured. The new insurance system will be widely introduced this year.

In 1991 the industrial death toll was 14,686 while 10,800 workers were seriously injured.

Many Qinghua Graduates Involved in Politics

*HK1302081093 Beijing ZHONGGUO XINWEN SHE
in Chinese 0745 GMT 12 Feb 93*

[By ZHONGGUO XINWEN SHE reporter Liu Hongtao (0491 3163 3447)]

[Text] Beijing 22 Feb (ZHONGGUO XINWEN SHE)—Zhu Rongji and Hu Jintao, the two newly appointed CPC Central Committee Political Bureau Standing Committee members are both graduates of Qinghai University; in addition, Yao Yilin and Song Ping, the two former Political Bureau Standing Committee members, are also alumni of the same university, studying there in the thirties. At the 14th party congress, 29 full or alternate members of the Central Committee are graduates of Qinghua University.

Qinghua has always been famous for its star-studded campus shrouded in a strong academic atmosphere, with its long list of elites; top professors of China with outstanding wisdom and intelligence, who have brought up scholars of one generation after another; scholars making unremitting efforts to improve themselves to contribute to the motherland. Many of its graduates have played and are playing important roles in China's political arena.

Distinguished graduates from Qinghua include Hu Qiaomu, the CPC theoretical authority, and Li Ximing, former CPC Central Committee Political Bureau member and Beijing municipal party committee secretary, as well as many leading members in office today,

such as Wu Bangqiao, Political Bureau member and Shanghai Municipal Party Committee secretary; Wang Hanbin, Political Bureau alternate member and National People's Congress Standing Committee vice chairman; Zeng Jianhui, State Council Press Office director; Ai Zhisheng, minister of radio, film, and television; Jia Chunwan, minister of state security; Wu Shaozhu, minister of the State Physical Culture and Sports Commission; Peng Peiyun, minister of State Family Planning Commission; Huang Ju, Shanghai mayor; Zhu Senlin, Guangdong governor; Fu Xishou, Anhui governor; Wu Guanzheng, Jiangxi governor; Xiao Yang, Sichuan governor; Chen Shineng, Guizhou governor; and Tian Chengping, Qinghai governor.

The "December 9th" patriotic movement of resistance against Japan to salvage the Chinese nation in the thirties brought up a number of professional revolutionaries for the CPC, among them were Yao Lili, Song Ping, Rong Gaotang, Yu Guangyuan, and Jiang Nanxiang, who were none other than the outstanding representatives of the patriotic students on Qinghua campus at that time.

Yao Yilin, Song Ping, and Hu Qiaomu, who started his academic career on Qinghua campus as a major in politics in 1930, took the revolutionary road without waiting for their graduation. It was learned that in the wake of the "December 9th" Movement, Yao Yilin got wind that he had been included in the black list of the Kuomintang spies; subsequently, he escaped from Shanzhai [a student dorm] on the Qinghai campus one night, and left for the CPC North China Bureau, and has engaged in underground work ever since. Chen Shunao [7115 5293 3852], Song Ping's wife, entered Qinghua as an undergraduate a year later than Song and became deputy secretary of Qinghua University party committee in the fifties.

From Shanghai, Zhu Rongji enrolled in Qinghua University Electric Engineering Department in 1947; he worked very diligently and was acknowledged an excellent student; in 1951, he was elected chairman of the students' union on Qinghua campus. In 1984, Zhu Rongji, then a vice minister at the State Economic Commission, was named concurrent head of Qinghua's Faculty of Economic Management, a position he has kept as of today. Every semester, he would visit the faculty to hear its work report, even during his tenure as Shanghai mayor, and he had taken on doctoral students in the faculty. People believe that Zhu is worthy of the title of the faculty's head. Zhu Rongji's English standards were very high, and he could give his lessons in fluent English.

Hu Jintao, who enrolled in Qinghua University's Water Conservancy Department in 1959, has left a strong impression on his professors with his outstanding studies; he got straight A's during his six-years of hard work, with only one B in all exams. He was one of those key "students to be taught in accordance with their aptitude" campuswide, who professors gave "special lectures" to on a one-to-one basis. It was said that

students in that category enjoyed extremely high honor on the Qinghua campus, and they were one in a thousand. Hu Jintao was not only outstanding in studies, but developed in an all-around way. He was a member of the university dance troupe, while being a political instructor of students.

In 1968, Hu Jintao left for a Gansu grass-roots unit with the aspiration to contribute to the motherland's hydropower undertakings. He began his political career as deputy director of the Gansu Commission for Construction in 1989. In a discussion meeting with Qinghua University students during his tenure of Communist Youth League Central Committee general secretary, he stated: It was not my will to go in for politics; however, the people have chosen me, and I must do a good job of it.

What is interesting is that almost none of the aforesaid new generation of leading members were engaged in political work when they first graduated from Qinghua, but took up technological work at the grass-roots level in a down-to-earth way. Zhu Rongji went to the northeast, Hu Jintao went to the northwest, Wu Bangqiao became a technician at a Shanghai factory producing electron tubes, Huang Ju worked at the grass-roots level in Shanghai for many years, and Fu Xishou worked at designing at Maanshan Iron and Steel Design Institute for 20-some years.

Qinghua University is known for its academic style of rigorous approach, seeking truth from facts, while blazing new trails and the fine tradition of showing concern for the nation's fate. The rich experiences and talents accumulated in long-term work at the grass-roots level have enabled those leading members of a new generation to possess their own advantages for working in the political arena; when the CPC selected and promoted cadres who are intellectuals, they rose to the political arena one after another in the eighties.

Communist Youth League Tries To Protect Minors

OW1502143693 Beijing XINHUA in English 1307
GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—The Chinese Communist Youth League (CCYL) is making efforts to protect minors through establishing youth protection organizations all over the country.

China's law on the protection of minors, which delineates the obligations and responsibilities of parents, schools, citizens and judicial departments in educating and protecting people under the age of 18, was put into effect in January 1992. Since then, youth protection committees of the Communist Youth League have been set up in 20 provinces, autonomous regions and municipalities.

These organizations are in charge of coordinating people of different walks of life to work for the protection of

minors and supervise the enforcement of the law on the protection of minors, said an official from the Central Committee of CCYL.

According to the official, so far, Communist Youth League committees at all levels have established more than 100,000 supervision stations in the country, which help crack down on pornography and improve the social environment for the healthy growth of minors.

In addition, they make efforts to provide adolescents with legal services. The youth league committees in some cities have consulted with local judicial departments and set up legal consultation stations and lawyer offices for minors.

Democratic Party Leaders Attend State Functions

OW1402072793 Beijing XINHUA Domestic Service in Chinese 0316 GMT 11 Feb 93

[By reporters Sun Yong (1327 0516) and Hu Qinghai (5170 3237 3189)]

[Text] Beijing, 11 Feb (XINHUA)—The responsible persons of some democratic parties attended the welcoming ceremony held by Premier Li Peng for Spanish Prime Minister Gonzalez today. They were Fei Xiaotong, chairman of the central committee of the China Democratic League; and Fang Rongxin, vice chairman of the central committee of the Peasants and Workers Democratic Party.

To have the responsible persons of democratic parties participate in important state functions is a new measure of our country to perfect the system of multiparty cooperation and political consultation under CPC leadership.

Statistics show that since July 1992, the following responsible persons of democratic parties have participated in important state functions, including the welcoming ceremonies for the heads of state and government and party leaders of 12 countries and the meetings between the leaders of the CPC Central Committee and the State Council and foreign guests: Li Peiyao and Peng Qingyuan, chairman and vice chairman, respectively, of the Revolutionary Committee of the Chinese Kuomintang Central Committee; Fei Xiaotong, chairman of the China Democratic League Central Committee, and its vice chairmen Feng Zhijun and Ding Shisun; Sun Qimeng and Wan Guoquan, chairman and vice chairman respectively of the China Democratic National Construction Association Central Committee; Lei Jieqiong and Chen Shunli, chairman and vice chairman respectively of the China Association for Promoting Democracy Central Committee; Dong Yinchu and Yang Jike, chairman and vice chairman respectively of the Zhi Gong Dang Central Committee; Xu Caidong and Zhao Weizhi, vice chairmen of the Jiu San Society Central Committee; Cai Zimin, chairman of the Taiwan Democratic Self-Government League Central Committee; and Cheng Siyuan, a personality with no party affiliation.

According to the CPC Central Committee United Front Work Department, the presence of the responsible persons of democratic parties in important state functions has helped publicize our country's system of multiparty cooperation and political consultation, and familiarize foreign leaders with the character, status and role of our democratic parties.

When the responsible persons of democratic parties are present in an important state function, the leading comrades of the CPC Central Committee, the National People's Congress, and the State Council will introduce them to foreign leaders. During a meeting between Jiang Zemin, general secretary of the CPC Central Committee, and some Burundi guests on 11 July 1992, Lei Jieqiong, chairman of the China Association for Promoting Democracy Central Committee, briefed the guests on the situation of China's eight democratic parties and how they participate in state affairs. She made the briefing at Jiang Zemin's request. Lei Jieqiong told the guests that the system of multiparty cooperation and political consultation under the CPC leadership conforms to the needs of China's reality and development, and it helps display democracy and strengthen unity among the people of all nationalities across the country.

Many responsible persons of democratic parties are deeply moved by being given the opportunity to attend important state functions. They believe that the presence of democratic party and nonparty personalities in important state functions is a very good example of the close cooperation between the CPC and democratic parties.

Jiang Zemin Writes Inscription for TV Series

OW1602003193 Beijing XINHUA Domestic Service in Chinese 0606 GMT 13 Feb 93

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 13 Feb (XINHUA)— "The Road of China"—a large-scale TV series fully representing the historic progress and glorious achievements of our drive for reform and opening up—has been produced and will soon be aired by the Central Television Station. General Secretary Jiang Zemin wrote an inscription for the title of the series.

The 10-installment TV series was organized and produced by the People's Liberation Army General Political Department. With a main theme of resolutely following the road of socialism with Chinese characteristics and unswervingly adhering to the basic line of the party for a hundred years, the series realistically represents the profound changes China has experienced in the fields of political, economic, cultural, scientific, technological, military, and foreign affairs since the Third Plenary Session of the 11th CPC Central Committee. The series also brings to light the historical conclusion that the reform, opening up, and modernization drive is the only way for the successful self-improvement and development of Chinese socialism. The series passionately praises the major historic contribution Comrade Deng

Xiaoping has made in creating the theory of building socialism with Chinese characteristics and vividly recreates the times in which millions upon millions of people, guided by the CPC, have emancipated their minds and blazed a new trail.

Li Peng Inspects Guangdong's Zhongshan City

HK1602115293 Hong Kong WEN WEI PO in Chinese
16 Feb 93 p 4

["Special article" by Liu Chih-liang (0491 3589 5328) and Lan Po (5663 2672): "On-the-Spot Report on Li Peng's Inspection of Zhongshan City"]

[Text] On 6 January, Premier Li Peng arrived in Zhongshan City again to inspect and guide work.

Visiting Former Residence of Sun Yat-sen

Li Peng, his wife, Zhu Lin, and several other leaders of ministries and commissions under the State Council, arrived at Cuiheng Cun, Zhongshan City, accompanied by [Guangdong CPC Committee Secretary] Xie Fei and [Guangdong Governor] Zhu Senlin, visited the former residence of Mr. Sun Yat-sen, pioneer of democratic revolution. Xie Mingren, party secretary of Zhongshan City, and Tang Bingquan, city mayor, who were awaiting the entourage, welcomed Li Peng and others to the reception hall in the residence. After everyone was seated, a tape of the speech made in Guangzhou by Mr. Sun Yat-sen in 1924 entitled: "Encouraging the Citizens of the Country," was played. After listening to the tape, Li Peng said with deep feelings: "Mr. Sun made a good speech; at that time, the Chinese people were sleeping and they have not woken up until now!"

Inspecting a Torch Development Zone

In the afternoon, Li Peng and his entourage inspected Zhongshan Torch High-Tech Industrial Development Zone. Li Peng happily said: "The scale of the Zhongshan High-Tech Development Zone is not small and it has very advanced products; you must step up the efforts to utilize and explore some most advanced branches of science and technology at home and abroad. Using science and technology to seek progress is the main road to economic development. He warmly encouraged the leaders of Zhongshan. "I hope Zhongshan City High-Tech Industrial Development Zone will be the first to arrive at the peak of science and technology in the world!"

Afterward, Li Peng and his entourage inspected the longest highway bridge in Guangdong Province—the Zhongshan Port Bridge on the Panyu-Zhongshan Highway.

The leaders of Zhongshan told him that Zhongshan's port handled 3 million tonnes of cargo last year and that, in light of the economic development, there is a plan to move the port eastward to Hengmen on the west side of the mouth of the Zhu Jiang, where a deepwater port will be built. After listening to this, Li Peng said: Zhongshan port has handled a large volume of cargo despite its

relatively small scale; this has not been easy. When the deepwater port is built, it will have a better future. Li Peng and his entourage then inspected Baiyuan and Songyuan, two small residential areas in the town of Shiqi. Finally, he went to inspect the Jingxi Chemical Factory, a subsidiary of Zhongshan Jiangxi Industrial Group of Companies.

MacroLevel Control Over Finance

In the evening, Li Peng and his entourage stayed in Zhongshan Hot Springs Hotel. In the "warm pavilion," he gathered the leaders of the province and the city to discuss work and gave important instructions for economic construction in the province and the city. He said: "I visited Zhongshan once in 1985 and today I have rushed through it again. The whole place has changed tremendously and I have a good impression of it." Li Peng continued: Since Comrade Xiaoping's southern tour and the 14th party congress last year, Guangdong's economic construction has scored great results and the province ranks first in the whole country; I hope that on the basis of seriously summing up last year's work experience, Guangdong strives for bigger achievements in 1993. Afterward, Li Peng discussed the problems in the country's economic work. He thought that this year's economic work could run into some financial difficulties and, concerning this point, the state will strengthen macrolevel regulation and control. Therefore, concerning guiding thought, we must emancipate the minds, seek truth from facts, and let the market play a bigger role. On the other hand, we must adopt more macrolevel regulation and control, which mainly means control over the total quantity of finance. When talking about the problems of agriculture and land use in Guangdong, Li Peng said that Guangdong's grain production must be kept stable and stressed the need to further optimize the structure of farm products, reduce peasants' burdens, and, on this basis, use land rationally. Land in the Zhu Jiang Delta areas, such as Zhongshan city, is particularly valuable. Here, the investment environment is superior and foreign investors are active, so we must select good projects. He stressed that development of the real estate business is an important measure to improve the investment environment and attract foreign capital and that this direction is right. However, we must cherish land, explore land resources, and generate wealth from the land. If we must launch projects, they must be projects which have high added value.

Legislation for Building Market Economy

Talking about the problems of building a socialist market economy system, Li Peng said: "Since we have to run production, we must consider the market. At present, not only must we acquire production ability and improve production standards but we must pay attention to the two big markets, one at home, the other abroad. At present, we will run into protectionism when we try to explore the international market and this requires us to build a capable marketing team. For example, the glass mosaic manufactured by Zhongshan

Glass Industry Group Company has gradually secured a bigger slice of the Hong Kong and Macao market despite fierce competition. It has not shrunk because the company has a capable marketing team. We must study how we can use less links to enable products to enter the market directly. He also said that to run a market economy, it is necessary to grasp the rule of law and legislation and establish regulations on market operation; regarding this point, he asked Guangdong to be the pioneer. Li Peng then gave important instructions concerning the building of infrastructure in Guangdong, the efforts to catch up with the "four small dragons" of Asia, and the problems of capable personnel. The meeting ended very late that night, after 2300.

The next morning, in the Zhongshan Hot Spring Hotel, Premier Li Peng received members of the five leadership groups of Zhongshan city, namely the city party committee, the city people's congress, the city government, the city committee of the Chinese People's Political Consultative Conference, and the city discipline inspection commission; he had a picture taken together with them. Afterward, he left Zhongshan and continued his inspection tour of the Zhu Jiang Delta.

Li Tieying Given Honorary Post at Sports Club

OW1502214393 Beijing XINHUA Domestic Service in Chinese 0703 GMT 13 Feb 93

[Text] Beijing, 13 Feb (XINHUA)—The Silver Olive Sports World Club—a club jointly sponsored by industrial and press circles has been formed in Beijing.

Li Tieying, member of the CPC Central Committee Political Bureau, and Wu Shaozu, minister in charge of the State Physical Culture and Sports Commission, have become the club's honorary adviser and honorary chairman, respectively.

The club, run by the Sino-Japanese Youth Exchange Center, will make full use of existing sports facilities, establish extensive ties among youths from all circles, and sponsor various activities to promote the cause of China's application for sponsoring the Olympic Games. The club will also provide a place for physical training and amusement for personnel in the press circles in Beijing.

Hu Jintao Inspects Broadcasting Units in Tianjin

SK1602095093 Tianjin People's Radio in Mandarin 2300 GMT 15 Feb 93

[Text] Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee, accompanied by Nie Bichu, acting secretary of the Tianjin Municipal party committee and mayor of the municipality; Wang Xudong, deputy secretary of the municipal party committee; Fang Fengyou, member of the municipal party standing committee and director of the organizational department; and Luo Yuanpeng, secretary general

of the municipal party committee, came to the Tianjin radio and television transmission tower to inspect its facilities.

During the inspection, he was briefed in detail by (Dong Suyi), director of the municipal radio and television broadcasting bureau; and by (Wang Quanlai), deputy director of the municipal radio and television broadcasting bureau and director of the tower management center, on the scope and function of the transmission tower, on the high and new technologies used in the tower, on the current status of the transmission, on services for tourism, on the appraisal of the tower given by national noted personages, and on the future development of the tower.

During the inspection, Hu Jintao was interested in looking into the facilities in the tower, including the disaster-prevention center, the large lookout hall, the revolving restaurant, the engine room on the fifth floor, the shopping center in the basement, the exhibition of paintings, and the song and dance hall. He expressed satisfaction with the construction of the tower and with the social efforts of the tower.

Wang Bingqian at Accounting Centers Ceremony

OW1402082393 Beijing XINHUA Domestic Service in Chinese 0913 GMT 11 Feb 93

[Text] Beijing, 11 Feb (XINHUA)—With the approval of the state, the Beijing Center for Financial and Accounting Consultations and the Capital Accounting Office were inaugurated here today. The latest measures for reforming financial and accounting systems have been taken in keeping with the need to develop a socialist market economy and transform government functions, as well as for facilitating the establishment of financial and accounting supervision and consultation systems according to the law.

The Beijing Center for Financial and Accounting Consultations and the Capital Accounting Office will provide comprehensive services in auditing, verification, appraisal, evaluation, consultation, and training for enterprises, institutions, offices, organizations, and individuals at home and abroad. They will observe the Chinese laws, statutes, rules, regulations, and system; and uphold the principles independence, fairness, truth, and confidentiality in handling contracts with customers through highly efficient and quality services.

State Councillor Wang Bingqian, Vice Finance Minister Xiang Huaicheng, and Vice Mayor Wang Baosen of Beijing attended the inauguration ceremony.

Wang Zhen Leads Compilation of Red Army History

OW1402072893 Beijing XINHUA Domestic Service in Chinese 0302 GMT 9 Feb 93

[Text] Beijing, 9 Feb (XINHUA)—"The Battle History of the Second Front Army of the Chinese Workers' and

"Peasants' Red Army" has been published and put on sale by the People's Liberation Army Publishing House.

The first draft of the battle history was written by a battle history compilation committee, headed by Marshal He Long, in accordance with a Central Military Commission decision made before the "Cultural Revolution." In recent years, the book was revised by the battle history compilation committee, with Wang Zhen and Xiao Ke being the responsible members of the committee.

The Second Front Army was one of three main forces of the Chinese Workers' and Peasants' Red Army, and was organized by merging the Second Army Group with the western parts of Hunan and Hubei Provinces as its bases, the Sixth Army Group with Hunan and Jiangxi as its bases, and the 32d Red Army. In October 1934, the Second Army Group, led by He Long and Guan Xiangying, joined forces with the Sixth Army Group, led by Ren Bishi, Xiao Ke, and Wang Zhen, in eastern Guizhou. Those forces jointly opened up revolutionary base areas in Hunan, Hubei, Sichuan and Guizhou. In January 1935, the Second Army Group and the Sixth Army Group left their revolutionary base areas for the Long March. In 1936, they successfully joined forces with the First and Fourth Front Armies of the Red Army, and thus created a new situation for the Chinese revolution.

The battle history was compiled on the basis of information from archives, and it correctly and truthfully reflected the hard struggle and development of the Second Front Army from nothing to something, from small to large, and from weak to powerful. It provides a summing-up report on the 10 years of bloody battles and depicts the immortal deeds and experiences of the armed struggles of this heroic force and people in the revolutionary base areas. The book has a total wordage of 430,000 characters and is divided into three parts with illustrations, a chronicle of events, and the order of development of various forces.

Publication of Album on New 4th Army Hailed

OW1302145693 Beijing XINHUA Domestic Service in Chinese 0235 GMT 7 Feb 93

[By correspondent Li Minjie (2621 2404 2638) and Zhang Lin (1728 2651)]

[Excerpt] Lanzhou, 7 Feb (XINHUA)—The giant picture album HUI SHANG FU XIAO [3232 0006 2133 2556], which documents the heroic and glorious achievements of the New Fourth Army's Fourth Division, was edited and published by the Lanzhou Military Region.

This picture album, which is beautifully designed and bound and is a collection of precious historical data, received good comments from relevant Central Military Commission leaders and historians. General Zhang Zhen, a participant in relevant events and an old soldier, wrote to congratulate the album's publication and to urge his successors not to forget about history. [passage omitted]

Zhu Rongji Inspects Zhejiang 21-27 Jan

OW1302120393 Hangzhou ZHEJIANG RIBAO in Chinese 30 Jan 93 p 1

["During His Inspection Tour in Zhejiang, Zhu Rongji Stressed That It Is Necessary To Earnestly Implement the 'Regulations' in Changing the Operating Mechanisms of State-Owned Industrial Enterprises and Properly Restructure Large and Medium State-Owned Enterprises"]

[Text] During his inspection tour in Zhejiang, Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, pointed out: A major task in this year's economic work is to earnestly implement the "Regulations" [on changing the operating mechanisms of state-owned industrial enterprises], and properly reform large and medium state-owned enterprises.

Accompanied by principal responsible comrades of the Zhejiang provincial party committee and government, including Li Zemin, Ge Hongsheng, and Wan Xueyuan, during the Spring Festival of the Lunar New Year, lasting 21-27 January, Zhu Rongji and his party visited Ningbo, Zhoushan, Wenzhou, Hangzhou, and other cities. They conducted in-depth studies on urban infrastructural facilities and port construction projects, and on development and reform in enterprises and the rural economy. They held discussions with directors of some large and medium state enterprises. They also visited peasant families in villages and towns.

Zhu Rongji said to the Zhejiang comrades: Returning to Zhejiang after five years, I have noticed that Zhejiang's cadres and people have been keen for the commodity economy, resulting in a very fast growing economy with considerable changes in Zhejiang's outlook. While inspecting Zhoushan and Ningbo's Beilun Port, Zhu Rongji spoke highly of the local favorable conditions for a deepwater port construction project. He said: Zhejiang should fully utilize this advantage, earnestly work out a unified plan, and develop this place into a truly first-class major port for East China. He encouraged Zhoushan's comrades by saying: If you do well in promoting fishing and tourism, Zhoushan will be invigorated.

Zhu Rongji pointed out in Wenzhou: It is necessary to develop village and town enterprises in accordance with industrial policies, and make determined efforts to raise product quality to a higher level. He was very pleased that Wenzhou has paid close attention to agriculture. He said: In a certain sense, Wenzhou leads the country in developing a market economy and is among the fastest in the country; yet, Wenzhou still pays very close attention to agriculture. It is correct for Wenzhou to have taken various measures to consolidate the agricultural sector as the foundation of the economy. He sincerely told Wenzhou city's leadership: Regardless of the ratio of agricultural output to the total value of the city's gross economic production, agriculture should never be neglected under any circumstances. At a discussion meeting at the Hangzhou Magnetic Tape Plant attended by directors of

some Hangzhou City's large and medium state enterprises, Zhu Rongji earnestly listened to the directors' reports on implementing the "Regulations" and changing the operating mechanisms of enterprises. He said: The party Central Committee and the State Council have attached great importance to improving large and medium state enterprises. This issue will remain a crucial core issue throughout the course of developing the socialist market economy. To properly conduct reform in state enterprises is still one of this year's important tasks. Now that the State Council has formulated the "Regulations," you should make efforts to work out detailed rules for implementing the "Regulations" to the letter. He urged the directors to conscientiously study and arm their minds with the "Regulations" in striving to win the powers appropriate to enterprises. Meanwhile, he also urged the directors to strengthen the internal management of enterprises, and to strictly and properly administer their enterprises. Since the state has already delegated managerial powers to enterprises, they should strive to improve their performance.

Zhu Rongji and his party made several stopovers during his inspection tour. He listened to reports by grass-roots as well as provincial and city leaders on new circumstances and new problems cropping up in reform, opening up, and economic work. Zhu Rongji repeatedly emphasized: At present, the economic situation is very good. But we should guard against an overheated economy and should not blindly launch new projects. We must pay attention to balance overall supply and demand so as to attain a sustained and steady economic growth. We should use available funds to develop infrastructure, making determined efforts to promote construction in communications, transportation, telecommunications, and other areas of infrastructure. We should also promote urban planning and construction so as to attract more foreign investors. Zhejiang has great potentials to attract foreign investments.

Tan Shaowen's Career Reviewed

OW1202132793 Beijing XINHUA Domestic Service in Chinese 0758 GMT 12 Feb 93

[Excerpts] Tianjin, 12 Feb (XINHUA)—Comrade Tan Shaowen, an outstanding CPC member, a loyal communist fighter, an exceptional party worker, member of the CPC Central Committee Political Bureau, and secretary of the Tianjin Municipal CPC Committee, died of illness in Tianjin at 1900 on 3 February 1993. He was 63. [passage omitted]

In May 1982, Comrade Tan Shaowen assumed the office of member and secretary general of the Tianjin Municipal CPC Committee Standing Committee. From March 1983 through September 1989, he served as deputy secretary of the Tianjin municipal party committee. In May 1988, he became chairman of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC]. In this period, he was in charge of the city's education, science and technology,

united front operations, and propaganda affairs. [passage] During the political storm that occurred in late spring and early summer 1989, he firmly upheld the Four Cardinal Principles, firmly implemented the CPC Central Committee's major decisions and the Tianjin Municipal Party Committee's plan, and played an important part in safeguarding Tianjin's political and social stability.

In September 1989, Comrade Tan Shaowen assumed the office of secretary of the Tianjin Municipal CPC Committee and first secretary of the Tianjin Garrison Command party committee. While overseeing the municipal party committee's operations, he firmly followed the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, fully implemented the party's basic line characterized by "one center, two basic points," integrated the Central Committee's principles and policies with Tianjin's actualities, and did his work creatively.

Brimming with political enthusiasm and displaying a high sense of responsibility, Comrade Tan Shaowen guided party members and cadres throughout Tianjin to earnestly study and firmly implement the important talks which Comrade Deng Xiaoping made during his inspection tour in southern China and the guidelines laid down by the 14th party congress, and studied and came up with ideas and measures for speeding up reforms, opening up, and economic construction. He underscored the need to emancipate the mind, seek truth from facts, proceed from actual needs, and give play to Tianjin's resources; the need to accelerate economic reform, focusing on streamlining large and medium state enterprises, in accordance with the scheme of the central authorities; to attach importance to the construction of development zones, tax free zones, and new technology parks, and energetically open Tianjin to the outside world; and to pay attention to building the city's infrastructure and coordinate Tianjin's urban and economic construction. While promoting economic construction, he also insisted on giving play to the party's political strengths, carrying out deep going ideological and political work, and attaching importance to the guidance provided by the press and to the development of literature and art. He considered it an important aspect of party operation to expedite democratic and legislative construction and to control public offenses in a comprehensive manner. Caring for the revolutionization, regularization, and modernization of troops stationed in Tianjin, he attached importance to education in national defense and made constant efforts to promote army-government and army-people solidarity. He dedicated himself entirely to the cause of expediting reform, opening up, and socialist material and spiritual construction; and he made important contributions in that area.

Always upholding the principle that the party must take charge of party affairs and deal with party issues strictly, Comrade Tan Shaowen made persistent efforts to build a better and stronger party in accordance with new realities. He made constant efforts to promote solidarity

between new and veteran cadres through caring for young cadres' growth and promoting those who were outstanding, and respecting veteran comrades and giving play to their roles. He also cared for the building of leading groups and insisted on arming cadres with the theory on building socialism with Chinese characteristics so as to heighten their awareness of implementing the party's basic lines and their understanding of party policies. [passage omitted]

Comrade Tan Shaowen was a representative to the 12th and 14th party congresses. He was elected member of the CPC Central Committee at the 14th party congress and the first plenary session of the 14th CPC Central Committee. [passage omitted]

Comrade Tan Shaowen's death is a big loss to the CPC. We must turn grief into strength, emulate his revolutionary spirit and fine style of work, and, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, work hard to fully implement the guidelines laid down by the 14th party congress and build socialism with Chinese characteristics.

Eternal glory to Comrade Tan Shaowen!

Yang Shangkun Greets Honorary Guangzhou Citizens

HK1202070293 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 5 Feb 93

[Excerpts] A ceremony awarding the title of honorary citizen of Guangzhou to 49 Overseas Chinese, Hong Kong-Macao compatriots, and foreign friends including Li Ka-shing and Ma Wanqi was held in the international convention center of the Garden Hotel this morning. At 1050, the 49 title recipients or their representatives arrived at the convention center, accompanied by Guangdong Governor Zhu Senlin, provincial party Deputy Secretary Guo Rongchang, Guangzhou party Secretary Gao Siren, Guangzhou Mayor Li Ziliu, and others.

At 1110, President Yang Shangkun arrived at the convention center where he was met by thunderous applause. Displaying high spirits, President Yang approached the honorary citizens and shook hands with Li Ka-shing and the other honorary citizens. He also extended Spring Festival greetings to them as well as to the more than 1,000 guests in the convention center.

Guangzhou Vice Mayor Chao Zhenwei presided over the meeting, while President Yang Shangkun delivered an enthusiastic speech. He said:

[Begin Yang recording] I extend my warmest congratulations to you on winning this honorable title. I hope that in the future you will show more concern for the construction of the motherland, and Guangzhou as well. Thank you. [passage indistinct] [passage omitted] [end recording]

On behalf of the Guangzhou party committee, people's congress, and government, Gao Siren, secretary of the

Guangzhou party committee, spoke highly of the honorary citizens' devotion and love for the motherland, Guangdong, and the homeland, as well as their accomplishments. He also extended warm greetings and sincere gratitude to them. [passage omitted]

This afternoon, the honorary citizens will pay courtesy calls to the city government and city people's congress. In the afternoon, Mayor Li Ziliu will host a banquet and party in honor of the honorary citizens and overseas guests.

Book Series on Capitalists' Biographies Planned

HK1402083793 Beijing ZHONGGUO XINWEN SHE in Chinese 0328 GMT 9 Feb 93

[By reporter Feng Dabiao (7458 1129 1753)]

[Text] Beijing, 9 Feb (ZHONGGUO XINWEN SHE)—The Jilin Time Literature and Art Publishing House is going to present a "China's Great Capitalists" biographical series very soon.

The "China's Great Capitalists" biographical series will be the first large-sized biographical series for capitalists ever published in China. The series will comprise 10 volumes and run to about 4 million characters. It will include the biographies of 40 capitalists, with the focus on their family backgrounds, their life and experience, their keys to success, and their business strategies and tactics. Some pictures will be attached.

The editor-in-chief in charge of this book series is Zhao Yunsheng, a noted biography writer. Forty well-known writers and reporters have been appointed to write the biographies of selected great capitalists of China, including Zhang Jian, Zhou Xuexi, Wang Guangying, Rong Yiren, Yu Qiaqing, Zhang Naiqi, Fan Xudong, Li Zhuchen, Hou Debang, Lu Zuofu, Liu Hongsheng, and Zhou Shutao, who were known before 1949 for their huge capital, high reputation, outstanding managerial skill, great business wisdom, and brilliant decisionmaking. Among these capitalists were magnates of tobacco, textile, monosodium glutamate, shipping, matches, bristles, fountain pens, and flavoring industries in pre-1949 China.

RENMIN RIBAO Carries QIUSHI Table of Contents

HK1702075593 Beijing RENMIN RIBAO in Chinese 14 Feb 93 p 5

[Table of Contents for QIUSHI No. 4, 16 February 1993]

[Text] Article by Ren Jianxin: "Strengthen and Reform Political and Legal Work With Spirit of 14th Party Congress as the Guide";

Article by Luo Shugang: "Theory on Building Socialism With Chinese Characteristics Is the Contemporary Chinese Marxism";

Article by Tian Jianghai: "Deepen Reform of Investment Structure, Effectively Prevent Duplicate Construction Projects";

Article by He Zuoxiu: "It Is Necessary To Attach Importance to and Earnestly Reinforce Basic Studies";

Article by Yu Jiashu and Mao Haiqi: "Socialist Market Economy as Viewed From Township and Town Enterprises";

Article by Liang Wensheng: "It Is Necessary To Pay Attention to Four Combinations in Market Development";

Article by Dai Junliang: "Reform and Develop Social Security";

Article by Zheng Dunxun: "Strive To Explore Internationalized Business Operations";

Article by Wen Shizhen: "Speed up Upgrading and Updating of Products Through Scientific and Technological Advancement";

Article by Duan Ruichun: "Views on Intellectual Property Right";

Article by Xiang Zhixue: "Fully Develop and Use the Motherland's Historical Cultural Heritage";

Article by CPC Central Discipline Inspection Commission's Discipline Inspection Group at Ministry of Posts and Telecommunications: "Do a Good Job in Building Spiritual Civilization Through Postal and Telecommunications Work—a Survey of Fujian Provincial Posts and Telecommunications Administration";

Article by Tian Zhilin: "Why Is It Necessary for All the Party To Study Economics in Real Earnest?";

Article by Guo Jizu: "Why Is It That Hegemonism and Power Politics Always Remain Main Obstacles to the Solution of the Issue Concerning Peace and Development?"

Military

'Slandorous Rumors' of Military Buildup Denied

OW1502131893 Beijing XINHUA in English 1230
GMT 15 Feb 93

["Commentary" by Huai Chengpo: "Behind the Tale of 'China's Threat'"]

[Text] Beijing, February 15 (XINHUA)—Recently, some people in Western countries have deliberately spread slanderous rumors that China is building up its national defense to a level "seemingly beyond a capability for defense," even "starting to acquire a capability for aggression." These allegations, which were intended to fabricate the tale of "China's threat," are utterly groundless.

It is common knowledge that it is unimaginable for any country to be defenseless.

At present, China's annual defense spending is about 5.5 billion U.S. dollars, or 5 dollars per capita for its population. The figures are the lowest among big powers. Meanwhile, the armament of the Chinese Army is maintained at the minimum possible level.

China neither has any military base in other countries nor has any soldier stationed overseas. China's position and action on disarmament have won universal praise.

Chinese Premier Li Peng announced explicitly last December when he visited Vietnam that China's military buildup is for defensive purposes, and that the recent rumor that China is expanding its Navy and is buying aircraft carriers is sheer nonsense.

Li reiterated that China opposes hegemonism and power politics. China does not seek hegemony at present, nor will it do so in future when it is developed.

China has been devoting itself to economic construction over the past 14 years since the beginning of its policy of reform and opening to the outside world. It even has to make arduous efforts for many years in order to reach the level of the medium-developed economies in the world.

At the 14th Congress of the Chinese Communist Party, which decided to adopt a system of socialist market economy for China, the party reaffirmed that the state policy of concentrating on economic construction will not change in 100 years.

To realize its objective, China badly needs a long-standing peaceful international environment.

However, just at this time some people have concocted the tale of "China's threat." Its authors appear to be guys who are not only ignorant, but have ulterior motives.

Firstly, they tried to stir up public opinion to bring pressure to bear on China and to interfere in China's domestic affairs. There are people in the West who feel uneasy over the rise of China's international standing and the political stability and economic development in China in recent years. They are unwilling to see the renewal of the Chinese nation and the reunification of China. Hence they spread the fallacy of "China's threat" and advocated the containment of China.

It is not accidental that some big Western countries have sold advanced weapons to Taiwan regardless of China's repeated warnings and also made trouble on the issue of Hong Kong.

Secondly, they tried to sow discord between China and its neighboring countries. At a moment when the world situation as a whole is still turbulent, the Asian and Pacific region is the only place achieving rapid economic growth and considerable political stability. As an important country in the region, China regards establishment and development of good-neighborly relations with its surrounding countries as the key point in its foreign policy.

Last year, 15 leaders from neighboring countries visited China. China's increasingly closer political, economic and cultural ties with these countries have helped promote regional stability and development. But it seems this state of affairs does not suit the tastes of certain people. Hence their allegation that China is bound to "expand and threaten" other Asian and Pacific nations once it has become powerful. However, these countries do not believe the saying.

During his trip to the Association of Southeast Asian Nations (ASEAN), Japanese Prime Minister Kiichi Miyazawa told reporters in Bangkok that he and ASEAN leaders have a view in common: China can not be any threat to the peace in the region. His word undoubtedly refuted the fallacy of "China's threat."

PLA Calls for Recruitment of Returned Students

OW1202150693 Beijing XINHUA Domestic Service in Chinese 0931 GMT 12 Feb 93

[By correspondent Dong Jingping (5516 2529 1627) and reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 12 February (XINHUA)—With the approval of the Central Military Commission, the People's Liberation Army [PLA] General Political Department recently issued a notice to all major army units and urged them to actively recruit talented local students returning from abroad to work in military departments.

The notice says: In recruiting local students returning from abroad, attention should be focused on high-tech specialists and other outstanding personnel urgently needed for the PLA's modernization construction; such personnel must ardently love the socialist motherland, support the party's basic line, devote themselves to the cause of national defense, and be capable of playing a leadership role in their respective academic fields. Once recruited, personnel should complete the formalities for special appointments, join the army as civilian cadres, and be assigned to specialized technical posts. Priority will be given to evaluating their specialized technical skills and assigning appropriate civilian grade and wage positions commensurate with their ability.

According to a briefing by the relevant department of the General Political Department, while dispatching many outstanding cadres to study advanced technology and management skills in foreign countries in recent years, military departments have recruited through various channels a number of accomplished students returning from abroad to various localities. Most of these locally recruited comrades have become administrative leaders or academic pace-setters in their respective units. To bring the role of returned students into full play and harness their enthusiasm, the PLA headquarters has in recent years adopted a series of policy measures for assigning them to suitable jobs, creating a good working and living environment, and facilitating them to leave the country again to pursue advanced studies or take part

in academic exchanges. These policy measures are applicable to returned students recruited in various localities.

A responsible comrade of the General Political Department said: The army needs numerous, highly qualified, specialized technical personnel for the modernization drive, and can provide plenty of opportunities for talented people to make the best use of their abilities. Upon completion of their studies abroad, students at large are welcome to return home to serve the motherland and contribute to the army's modernization drive.

Leading Military Conglomerate Increases Civilian Production

HK1502071393 Beijing CHINA DAILY in English
15 Feb 93 p 2

[Article by our staff reporter Zhang Yu'an: "Group in Overseas Cash Bid"]

[Text] The China North Industries Group, the country's leading military conglomerate, has vowed to attract more foreign investment in order to expand its production of civilian goods and upgrade its military products, a group official has revealed.

In 1992, about 69 percent of the group's total production, in terms of output value, was civilian goods, representing an increase of 6 percent from the 63 percent figure of 1991.

The official said the group will set up more Sino-foreign joint ventures and utilize \$200 million hard currency funds in loans from foreign governments and world financial organizations by 1995, to further boost its production of civilian goods.

So far, the group has set up 107 Sino-foreign joint ventures, including eight in foreign countries and regions such as the United States, Germany and Hong Kong.

To date, the group has signed agreements or letters of intent for co-operation on 19 projects with foreign partners. Negotiations or preparations for setting up the 19 joint ventures have already started, the official disclosed.

The group has targeted the automobile industry, the production of motorcycles and their spare parts, engineering machinery, and photo-electric products as key areas. Chemical products and export-oriented and high technology industries have also been made priority areas, the official said.

Meanwhile, the group is planning to set up a number of Sino-foreign scientific and research institutes and more hard currency earning firms in coastal and open border areas.

The group is also going to work out preferential treatments to encourage its military plants to set up joint ventures with foreign counterparts and even to invest overseas, the official said.

More opportunities will be created to enable its military plants to contact potential overseas investors this year. These include economic co-operation symposiums, sending more people abroad to explore new co-operation channels and arranging more business talks between plants and foreign partners, the official said.

The move is expected to play an important role in helping military plants tailor themselves to a market economy, the official noted.

This year, the group will also make great efforts to support the development of a number of large enterprise groups. One will be involved in motorcycle production and another in automobile production.

The three motorcycle groups are expected to turn out more than 1.5 million motorcycle in 1995, while the automobile group will be competitive by the same year.

Last year, the group's three motorcycle firms produced a total of 836,500 motorcycles, representing a rise of 42.3 percent from the previous year and accounting for about 45 percent of the country's total.

In 1992, the group's export of civilian goods reached more than \$187.7 million, up 80.5 percent from the previous year, the official said.

Jilin Secretary Attends Military Party Plenum

SK1602104393 Changchun Jilin People's Radio Network in Mandarin 2300 GMT 15 Feb 93

[Text] At the 13th plenary session of the eighth provincial military district party committee which ended 13 February, He Zhukang, secretary of the provincial party committee and first secretary of the provincial military district, emphatically pointed out: Party committees at all levels of the provincial military district should persist in using Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to arm their minds, consciously implement the party's basic line, uphold the principle that the party must exercise absolute leadership over the Army, and enable the Army to maintain ideological and political unity with the party Central Committee and the Central Military Commission.

Wu Yixia and Wang Jinshan, deputy secretaries of the provincial party committee; leaders of the provincial military district; and leading comrades of various military subdistricts and of the reserve duty force attended this session.

Major General Zhou Zaikang, member of the provincial party committee standing committee and commander of the provincial military district, and Major General Shi Zhaoping, political commissar, called on all commanders and fighters to conscientiously study and implement Comrade Deng Xiaoping's ideology on Army building during the new period; closely combine theoretical study with investigation and work guidance; deepen understanding of the guidelines of the Central Military Commission enlarged plenary session, particularly the

military strategic principles during the new period; place education and training in an important position; actively coordinate with local governments to fulfill urgent, difficult, dangerous, and heavy tasks; and raise our province's building of national defense reserve force and of the two civilizations to a new level.

Shanghai Secretary Addresses Garrison Meeting

OW1302143393 Shanghai People's Radio Network in Mandarin 1000 GMT 11 Feb 93

[From the "News and Weather" program]

[Text] An expanded meeting of the Shanghai Garrison District CPC Committee was held 10-11 February. Wu Bangguo, member of the CPC Central Committee Political Bureau, secretary of the Shanghai Municipal CPC Committee, and first secretary of the Shanghai Garrison District CPC Committee, attended and spoke at the meeting. The meeting relayed and studied the guidelines set by the Central Military Commission's expanded meeting, summed up the garrison district's work for 1992, and set forth this year's tasks for further stepping up the garrison district's work concerning troops, militia, and reserve force.

The garrison district's political commissar, Zhu Xiaochu, and commander, Xu Wenyi, each gave a report at the meeting.

In his speech, Wu Bangguo stressed the need to continue to conduct in-depth double-support activities as well as activities in joining the military and civilians to promote spiritual civilization and education, and the need to strive to do double-support work more solidly and with better results.

Economic & Agricultural

Minister on Becoming Leading Trading Nation

HK1602024093 Beijing ZHONGGUO XINWEN SHE in English 1034 GMT 15 Feb 93

[Text] Beijing, February 15 (CNS)—The Minister of Foreign Economic Relations and Trade (MOFERT), Mr Li Lanqing, said recently that by 1995, China's import and export value will be U.S.\$200 billion, bringing it into the ranks of the world's leading trading nations.

According to Mr Li, China's foreign trade since 1978 has continued to grow with an annual average growth rate between 1979 and 1991 of 15.1 percent, whereas between 1950 and 1978 it was only 11.8 percent. China's export value ranked 13th in the world in 1991, up from 32nd in 1978. It is predicted that China's ranking by the end of 1992 will put it in 10th place.

Mr Li said that the export value in 1991 was four times that of 1980 which had been the target for the year 2000. The import and export value in 1992 was U.S.\$165.6 billion. With an annual growth of 15.1 percent over the past 12

years, China is clearly on its way to achieving an import and export volume of U.S.\$200 billion, putting it amongst the ten biggest trading nations in the world by 1995.

Li Peng Discusses State of Economic Affairs

Notes Ties With World Economy

OW1602133493 Beijing XINHUA in English 1320
GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—Along with the establishment of a market economy, China's ties with the world economy will be increasingly close, Chinese Premier Li Peng said here today.

He was speaking at a meeting with foreign dignitaries attending the inauguration of the China Ocean Shipping Companies Group (COSCO).

As China strives to build up a socialist market economy, it will develop conglomerates and COSCO is one of the first 55 major groups designated by the State Council to be run on a trial basis, Li noted.

The state will entrust the conglomerates with more business autonomy, Li said, adding he expects the groups to follow international practices and participate in international competition.

The more developed the Chinese economy becomes, the closer the ties with the world economy, Li said. "We are ready to constantly expand our economic and trade relations with foreign countries."

Li, calling COSCO a major force in transport, said he hopes the group will act as "a bridge" in developing China's foreign economic relations and trade.

He expressed his appreciation to the foreign personalities who have supported China's ocean shipping industry over the years.

Some of the guests expressed satisfaction at being invited to advise COSCO, saying they expect mutual cooperation and benefit.

Nation Nearing Market Economy

OW1702034993 Beijing XINHUA Domestic Service in Chinese 1322 GMT 16 Feb 93

[By reporter Zhou Shuchun (0719 2885 2504)]

[Text] Beijing, 16 Feb (XINHUA)—Premier Li Peng said today: Along with the establishment of a market economy, China's ties with the world economy will be increasingly closer and China will constantly expand its economic cooperation with other countries.

He made these remarks during a meeting with foreign guests attending the inauguration of the China Ocean Shipping Companies Group [COSCO] in the Great Hall

of the People this afternoon. He first congratulated COSCO on its inauguration and welcomed the foreign guests present.

He said: As China is striving to build up a socialist market economy, it will inevitably develop conglomerates; COSCO is one of the first 55 major groups designated by the State Council to be run on a trial basis. The state will entrust the conglomerates with more business autonomy.

He expressed his hope that those groups, including COSCO, will follow international practices in operations and actively participate in international competition.

Li Peng said: The more developed the Chinese economy becomes, the closer it will be to a market economy and to the world economy. He reiterated that China is ready to constantly expand its economic and trade relations with foreign countries.

He said: COSCO is a major driving force for China's foreign trade. "I hope that the group will act as 'a bridge' in developing China's foreign economic relations and trade."

During the meeting, he expressed his appreciation to the personalities of foreign economic circles who have enthusiastically supported China's ocean shipping industry over the years.

Some of the guests said that they are pleased to be hired as honorary senior advisers to COSCO and expect to carry out good cooperation with it. While wishing COSCO prosperity, they wished China constant economic development.

Beijing Vows To Enforce Copyright Protection

OW1702102493 Beijing XINHUA in English 1015
GMT 17 Feb 93

[Text] Beijing, February 17 (XINHUA)—Chinese officials have vowed to more effectively enforce copyright protections this year.

Officials from the Copyright Bureau said that they will soon discuss several issues concerning intellectual property rights. Issues to be clarified include transfers of copyrights, protection of duplication rights and the influence of new technology on copyrights.

Following these consultations, the country's Copyright Law, published three years ago, is likely to be amended.

China joined the Berne Convention and the World Copyright Convention in October of last year.

A copyright seminar, to be held later this year in Beijing, will be attended by 150 legal scholars from the Asia-Pacific region. Chinese officials will speak on international copyright relations.

In the near future, a campaign will be launched within the country to curb the theft of print and recorded materials.

Officials said the government has allowed the Copyright Agency of China (CAC)—the leading Chinese company to provide copyright services for overseas authors—to expand its business throughout the world.

Before China joined the Berne Convention, CAC mainly tackled copyright issues that arose on the mainland, Taiwan or Hong Kong.

Holiday Results in Imports Up, Exports Down

OW1702134093 Beijing XINHUA in English 1331
GMT 17 Feb 93

[Text] Beijing, February 17 (XINHUA)—China's exports and imports totaled 6.6 billion U.S. dollars in the first month of this year, a drop of 6.4 percent because of the Spring Festival national holiday, according to the State Statistics Bureau today.

The statistics compiled by Chinese customs show that exports amounted to 3.4 billion U.S. dollars in January, a drop of 16 percent on 12 months ago.

A bureau official said that China's imports totalled 3.2 billion U.S. dollars, a rise of 6.2 percent.

An official from the Ministry of Foreign Economic Relations and Trade said that the decrease in China's exports in January was normal because many employees were on holiday.

Enterprises Helped To Expand International Trade

OW1302033293 Beijing XINHUA in English 0250
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—To help develop the country's burgeoning export-oriented economy, the China Council for the Promotion of International Trade (CCPIT) has made great efforts to assist Chinese enterprises in establishing business relations with their foreign counterparts.

Xie Jianqun, vice-chairman of CCPIT, said that last year the council received more than 130 foreign business delegations and sent more than 40 Chinese groups abroad. CCPIT also arranged dozens of business talks between domestic industrial and commercial groups and foreign business people.

In 1992, the council sponsored 27 exhibitions in 19 countries, which resulted in an increased export volume of 570 million U.S. dollars. Xie added that the 41 foreign economic and trade exhibitions held in Beijing last year recorded a transaction volume of 1.25 billion U.S. dollars.

To help Chinese enterprises learn more about the world and become more competitive on the international

market, the council has sponsored various symposiums and lectures and has trained trade personnel.

Meanwhile, CCPIT has also offered information and legal services to enterprises involved in foreign trade.

Statistics show that in 1992, the council handled more than 6,400 cases relating to patent applications, over 14,000 cases involving trademark registration, 200 arbitration cases and over 150 cases involving finance, business or marine affairs.

1993 State Bonds To Come Out 1 Mar

OW1202123093 Beijing XINHUA in English 1159
GMT 12 Feb 93

[Text] Beijing, February 12 (XINHUA)—China plans to issue 37 billion yuan worth of 1993 state bonds on March 1, according to sources from the Ministry of Finance here today.

The new bonds include 30 billion yuan in state treasury bonds and seven billion yuan in financial bonds. The state treasury bonds, for three-year and five-year terms, will be put up for sale at the same time.

State treasury bonds planned for this year will decrease by nine billion yuan compared with the total amount floated last year. The time of issuance has also been moved up to March from the usual April, said Gao Jian, vice director of the State Debt Administration with the Finance Ministry.

The interest rates are fixed at ten percent for three-year bonds and 11 percent for five-year bonds, an increase of 0.5 percentage points respectively over last year's levels.

The interest rates are also higher than the bank savings interest rates for the same terms by 1.72 percentage points and 2 percentage points, respectively.

This year's issuance will be conducted by underwriting syndicates, a system which was adopted in the last two years to replace administrative distribution, according to Finance Ministry officials.

The decision for an earlier issuance, Gao said, is based on the hope that the state bonds will be sold before various enterprise bonds flood the market in the latter half of the year.

At present, most Chinese tend to seek bonds with higher interest rates regardless of the bonds' credibility. In this case, the state bonds began to lose favor with mass investors beginning last year.

Even with the early issuance, Gao saw the fulfillment of the plan as no easy job.

"The stagnant second market since last June shows little sign of recovery. It is in question that the underwriters would be enthusiastic enough about the bond as in the previous years," said Gao.

To ensure the fulfillment of this year's plan, the Ministry of Finance is encouraging underwriters to adopt various flexible sales measures, such as over-the-counter (OTC) business and dividing long-term bonds into short term ones, Gao said.

China has kept expanding the volume of state bonds in recent years in a bid to support the economic development and balance the state budget. By the end of last year, the country had issued a total of 160 billion yuan in state bonds since it resumed internal debts in 1981.

RENMIN RIBAO Editors Predict 1993 Market Trends

HK1602005593 Beijing RENMIN RIBAO in Chinese
6 Feb 93 p 2

[Article: "RENMIN RIBAO Finance and Trade Editors Predict 1993 Market Trends"]

[Text] The market is linked to hundreds of thousands of households and the 1993 market situation is a topic of concern for people. Several finance and trade editors of this paper are interested in the trends in market changes, thus each airs his own view for the reference of our readers.

Attention Must Be Paid to Overheated Tendencies in Continuous Fast Economic Growth

Pi Shuyi [4122 2885 5030]: In analyzing market trends, one has to conduct analysis of the macroeconomic situation. The supply-and-demand changes in the market, and the market trends, are closely connected with the macroeconomic situation. A conspicuous characteristic of China's economic development in 1992 was high growth rate, with the GNP increasing 12 percent from the previous year. It is estimated that the high growth rate's inertia last year, and pulses of accelerating development in various places, will result in maintaining a comparatively high growth rate in the national economy.

People are now worrying about an overheated economy. To judge whether or not the economy is overheated, we should not confine our view to the growth rate in an oversimplified way but mainly ascertain whether or not the general volume of the economy is balanced. According to a related departments' calculations, the social general supply and demand were largely balanced last year, with the social general demand 6.6 percent higher than general supply, slightly higher than the normal rate of 5 percent; the bottleneck in resources was not so obviously felt; with the exception of transportation and communications, there was basically no shortage in other resources; and the price raise range was approximately 5.3 percent, within 6 percent, the control index. This being the case, from the angle of the general volume, the national economy in its entirety is not overheated and is being kept within a basically normal realm. However, some overheated tendencies have surfaced, calling for our attention; by no means should we be careless about them.

Li Jianxing [2621 1696 5281]: Viewed from the angle of some other factors, a comparatively fast economic growth is within the bearable realm. First, agricultural production is comparatively stable, with ample supply of farm produce. Generally speaking, a stable agriculture will not give rise to major trouble in the economy. Second, international revenue and expenditure are basically balanced, with sizable foreign exchange reserves, making possible the utilization of foreign resources to relax the restriction of domestic resources. Third, there is also an ample supply of industrial consumer goods in great varieties, with supply of many goods greater than demand and a marked trend of diversified consumption and the growth in consumption is comparatively stable, with little pressure on the market. And fourth, although demand for production materials such as steel products is great, with a comparatively wide price raise range, it is precisely such market factors as the price guidance that have occasioned the comparatively fast growth in the production of iron and steel; in addition to imported resources, stability will be seen in the shortage of production materials supply. These factors will continue to exist this year and the economy is likely to maintain a comparatively high rate of growth. Of course, we should not neglect the trends of the craze for development zones, stocks and shares, and real estate, but truth-seeking measures should be adopted to maintain the fast but sound economic development.

Pressure From Inflation Remains, Whereas Factors for Reducing the Pressure Simultaneously Play Their Roles

Shi Mingshen [2457 2494 1957]: The pressure of inflation remains and can be analyzed in two aspects. First, the volume of banknotes issued has exceeded the economic growth in consecutive years. Since 1984, China's volume of banknotes issued has always exceeded the economy. Second, the aggravation of financial deficit. Financial deficit has surfaced every year between 1979 and 1991, with the exception of 1985 and the sum has gradually increased since 1988. Because an annual one-third of the financial revenue was spent in enterprise deficits and price subsidies, the rest of the revenue would go to pay tremendous administrative expenditure and increase in input in agriculture and capital construction, with revenue barely covering expenditure. Aside from issuing national bonds to cover the deficits, state finance had to make overdrafts and loans from the bank, which was also a factor leading to the central bank increasing the banknote issues. Excessive banknotes in circulation will inevitably lead to a raise in price levels and such a tendency will find further expression this year. Fortunately, the citizens' income has increased comparatively faster in recent years and many people have cast aside the concept of purchasing goods for value preservation, investing instead in valuable securities, so that cash in their hands can appreciate. Such a practice has reduced pressure on the market, while relaxing the effects of inflation on people's livelihood to some extent.

We can put it that inflation is not necessarily dreadful, whereas moderate inflation may be helpful to stimulating economic growth. The important point is to guard against the surfacing of a malign inflation. This calls for the state to augment macroscopic regulation and control, cut back irrational financial expenditure, and avoid blind credit expansion and excessive issuing of banknotes. At the same time, it is necessary to accelerate economic restructuring and promote enterprises to improve their economic results.

Steady Development of Consumer Goods Market, Marked Trends in Pluralism in Consumption

Pang Gang [3382 1511]: Over the past year, the domestic market has realized steady balanced growth under the condition of high rate economic growth: The annual social wholesale volume was 1,089.4 billion yuan, up 15.7 percent on the previous year. Deducting price raise factors, the actual growth rate was around 10 percent. The increase range was up to the average developing level of the previous five years.

Last year, the urban and rural market growth was not synchronous, as in the past. The annual urban retail sales volume was 538.6 billion yuan, up 18.9 percent on the previous year and the retail sales volume at and below county levels was 422.6 billion yuan, up 13.8 percent on the previous year. The gap in increase ranges between urban and rural markets remained 5.1 percent.

According to a Ministry of Commerce analysis of the supply-and-demand conditions for 695 varieties of major goods in the latter half of 1992, only 80 varieties were in short supply, accounting for 11.5 percent, 0.6 percent up on the first half of the year; 237 varieties were in long supply, accounting for 34.1 percent, 1.7 percent up on the first half of the year. From the angle of production and marketing conditions, the growth in marketing in the market fell far behind the growth rate of light industrial production and the production and marketing rate of light industrial products remained on the low side, with serious overstocking of light and textile products. Furthermore, the condition of farm and sideline produce was also one of long supply.

Forecasts by related departments show that in 1993, the residents' consumer growth will continue to maintain relative stability; the trends of pluralism in the consumer market will make themselves more keenly felt; and competition in the domestic market will be increasingly intense. According to an analysis, urban residents will continue to pursue famous, special, good-quality, and new goods this year. Rural consumption will continue to seek substantial and cheap goods, whereas consumption by the rural populace in economically developed areas will follow their urban counterparts but the gap in the development of the rural and urban markets remains. Noncommodity consumption of the rural and urban populace such as housing, tourism, and service trade will continue to increase comparatively fast because of price raises over a wide range and residents' investment

in valuable securities will continue to enjoy a high rate of growth. Competition in the domestic market will become more intense with the state-owned enterprises' conversion of the operational mechanism.

Mass Bearing Capacity for Price Raises Has Been Replaced With Concern Over Income Growth and Employment As Main Worry

Zhang Jinli [1728 6930 0500]: Price raises used to be the whole society's focus of contradictions before 1988. Today, price indexes have gone up with the new upsurge of economic development. The worry of worries for governments at various levels is whether or not the man in the street can bear it psychologically. I personally believe that one should not be overanxious about that. Through the testing and tempering of the market storms over the past few years and deepening of reform, the psychological bearing capacity of the man in the street is no longer as frail as it was a few years back and his material bearing capacity for price raises has also been greatly improved. Although the price reform actions were great in 1992, there was no strong reaction from the man in the street. Some economists forecast that the reaction of the man in the street to price rise will remain comparatively stable this year. Today, the social focus of the greatest concern for the masses is income growth and employment opportunities. This being the case, the craze for companies, going in for business, and second professions will continue to be maintained. Currently, many families are ready to install telephones, airconditioners, and pursue internal decoration of their homes. New tidal waves of consumption are coming.

Electronic Industry Target Met Ahead of Schedule

OW1702141893 Beijing XINHUA in English 1402
GMT 17 Feb 93

[Text] Beijing, February 17 (XINHUA)—China's electronics industry output value reached more than 100 billion yuan last year—meeting a target figure three years ahead of schedule.

Zeng Peiyan, vice minister of machinery and electronics industry, said the expansion of telecommunications services was reflected in the production of more program controlled exchanges and other equipment.

Electronic technology, including computers and micro-electronic technology, is being widely used in all fields of national economic construction including railways, transportation, power, publishing and printing and the media.

China is building up its service industry represented by information consultation and technological service and electronics information technology is growing into the pillar industry of the national economy. Last year 12 out of 100 companies in the industry made profits each exceeding one billion yuan.

The vice minister said that last year the industry earned 5.9 billion U.S. dollars from exports, 31.8 percent up on the previous year, with 11 products each returning over

100 million U.S. dollars. More electronics products from the coastal areas have found their way into the international market.

Zeng said that five major electronic projects and 10 programs aimed at adjusting industrial structure, upgrading technology and ensuring sustained development of enterprises are in full swing across the country. Among them are video camera production, color TV tubes and fax machines.

Even so China's electronics industry's economic efficiency was not so good, a great amount of funds were held up and development of new major products was slow, the vice minister said.

From now on, he said, the ministry will concentrate on some major electronics projects and serial system products and quicken the formation of company groups.

Plans To Upgrade Machinery, Electronics Products

OW1602170093 Beijing XINHUA in English 1602 GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—China plans to upgrade the quality of its machinery and electronics products to international standards, and push prices close to international levels in the mid-1990s.

He Guangyuan, minister of the machinery and electronics industry, made the call at a national conference here today.

Last year the industry set a record high in development, with a total output value at 355.4 billion yuan, an increase of 29.6 percent over the previous year.

Exports totaled 19.5 billion yuan last year, accounting for 23 percent of the value of China's exports, second only to textiles in earnings.

However, as China's economy developed rapidly, the machinery and electronics industry, one of the pillar industries of the national economy, is being confronted with severe challenges. People want more products while the demand for machine tools, engines and trucks far exceeds supply.

The ministry plans to realize an annual total output value of between 970 and 990 billion yuan by the year 2000, and an export value of 40 to 50 billion U.S. dollars, about 30 to 40 percent of national exports.

The minister said that by the end of the century China will have some scientific research bases set up in accordance with international advanced levels. Company groups and big enterprises will also have their own research centers.

The technique of design and manufacture of key companies will also reach the 1980s' average standard of the advanced countries, with key techniques reaching the contemporary world standard by 2000.

Meanwhile, most of the big and medium-sized enterprises of the industry will adopt the shareholding system by 2000, the minister said.

By the end of the century the state will try to concentrate 60 to 80 percent of the production of trucks, tractors, computers, audio and visual equipment as well as major equipment for metallurgy, mining, engineering, petroleum and power stations on the major eight companies.

The minister said that by 2000, China will set up a market for machinery and electronics products, forming a selling, repair and service network.

He said that the machinery and electronic industry will encourage the formation of company groups.

State-owned enterprises are also encouraged to utilize foreign funds, and expand their cooperation with foreign businessmen, he said.

National Information Industry Developing

OW1402144493 Beijing XINHUA Domestic Service in Chinese 1006 GMT 10 Feb 93

["News Analysis" by XINHUA reporter Sun Jie (1327 2638)]

[Text] Beijing, 10 Feb (XINHUA)—In the 'family tree' of our underdeveloped tertiary industries, the information industry is a young branch. It made its debut in the increasingly prosperous and open Chinese economy in the mid-eighties, and since then it has advanced with unsteady steps, along with the people's great expectations.

Rapid economic development is impossible to achieve without the support of a well-developed information industry. In the contemporary world, information has become an important resource for social development. The information industry is regarded as important as energy and other basic industries, and the area is called "the pioneer industry of the modern world." Since the strategic objective of establishing a new structure for the socialist market economy was set at the 14th CPC Party Congress, our economy has made big strides into a new era of fast development. To a large extent, the development of China's information industry, a new industry, decides and reflects China's progress in establishing a socialist market economy. The heavy responsibility shouldered by the information industry and its current backward situation has put pressure on people in national information circles and has made them aware of the urgent need to quickly develop China's information industry.

Chinese information experts believe that China's information industry is about 20 years behind the world average. In 1991, the world's information service industry produced an output value of \$203 billion, yet China produced only several billion yuan. It was estimated that the information contents per 100 yuan of our GNP is only one tenth of the world average. Experts also pointed out

many problems in our information industry: The information industry lacks a unified plan and coordination; its service system is not sound; standards and rules and regulations in collecting and delivering information have yet to be developed; information circulation is not carried out without impediments; information shortages are experienced while large amounts of valuable information lie idle; information processing is basically done by hand; electronic means are not used in 90 percent of information resources; and so on and so forth.

Experts pointed out: Underdevelopment and backwardness are the primary reasons these problems have emerged. If we want to score a breakthrough in the development of an information industry, we must guide it onto the road of the market, and the starting point is to have information commercialized and industrialized through cultivating an information market.

Cultivating and developing an information market will improve the way information is circulated, which in turn will promote the production and consumption of information. Sales will promote production, and the market will spur the development of information services. Without a sound and well-developed information market, the information industry will be unable to develop and improve. Some experts pointed out: Government information centers at various levels must play a major role in cultivating and developing the information market. While making macroeconomic policy decisions and providing macromanagement service, some of the information centers should buy and sell information as a commodity—the way enterprises do. The state should support the development of an information market by adopting appropriate taxation, communications, and technology policies.

China's information industry has great development potential. In the nineties, markets should play a greater role in China's in-depth reform and opening. As agriculture enters the market, enterprises transform their operating mechanisms, commodity circulation expands, and the government transforms its functions, more and better information will be needed. Without sound market information, there will be no sound markets, and the superiority of market forces in the distribution of resources will also vanish. Without enough information, enterprises will not survive, and the government's macroeconomic management will not be able to proceed. Since the mid-eighties, China has established information centers in 30 provinces (municipalities, autonomous regions), 14 cities with provincial-level economic decision-making authority, 280 prefectures (cities), and 1,500 counties (districts). These government information departments have laid foundation for the production of information.

Many pressing problems need to be solved in developing our information industry and cultivating the information market. At present, establishing a socialist market economy provides an excellent opportunity for the development of an information industry. In his report to

the 14th national party congress, Comrade Jiang Zemin made the development of the information industry a centerpiece in the development of tertiary industries. State planning departments and other government departments have made information work an important function and means for carrying out industrial policy and strengthening macroeconomic management. We should "develop information resources to serve the four modernizations."

National Aviation Industry Growth Reported
OW1402125793 Beijing XINHUA in English 1233
GMT 14 Feb 93

[Text] Beijing, February 14 (XINHUA)—Output value of China's aviation industry last year reached a record of more than 11 billion yuan (about 1.93 billion U.S. dollars).

The figure was up by 28 percent over the previous year's.

Domestically produced airplanes fly most of the 200-plus domestic air routes now, and China has begun to export planes and related spare parts to countries in Asia, Africa, South America and the South Pacific.

Products for civil use produced by China's aviation industry were also popular. The sale of automobiles last year increased by 44.8 percent over 1991, air conditioners by 25.9 percent and motor cycles were in high demand.

In addition, some of the enterprises in the industry became big profit makers, and many of those which once registered losses began to produce profits.

Ministry Seeks To Improve Telephone Services
OW1302193393 Beijing XINHUA in English 1636
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—China's post and telecommunications have expanded rapidly since 1985, with 42 percent increase in business in 1992, a spokesman for the Ministry of Posts and Telecommunications announced today.

At a press conference, the spokesman for the ministry said that such a speed have surpassed the fastest increase rate in Republic of Korea, Singapore, Taiwan and Hong Kong, and it is the fastest in the current world, the spokesman quoted a Western telecommunication official as saying.

He said China's investment in telecommunication construction and the business income also increased by 70.9 percent and 42.5 percent over the year 1991.

Sources from the ministry said that China had only a little over five million telephones in 1978, with only 0.38 telephones in 100 people. The increase rate, he said, had stayed at 4.6 percent.

By now, he said, China has got over 30 million telephones and telephone installment rate shot up to 1.63

percent, with some provincial capital cities over ten percent and 18 percent in Beijing, the capital city.

Despite the rapid increases, a senior official from the ministry admitted that telecommunications is still a weak link in China's national development. Urban citizens have to wait for months to get a telephone installed and it is hard to make long distance calls even in big cities.

To ease the situation, the Ministry of Posts and Telecommunications has mapped out a series of preferential policies to encourage more investment from other sectors as well as outside the country.

An official from the ministry predicted that each family in large and medium-sized cities can have a telephone installed and China's total telephone number can reach 100 million by the year 2000 if China maintains such development speed.

'Ambitious' Targets for Posts, Telecommunications

HK1602022593 Beijing CHINA DAILY in English
16 Feb 93 p 1

[Article by staff reporter Xie Liangjun: "Telecom Sector To Blaze Trail on Growth"]

[Text] The Ministry of Posts and Telecommunications, China's fastest growing sector, has unveiled ambitious new targets for 1993.

According to newly-released figures, the ministry this year is aiming for a turnover of 40 billion yuan (about \$6.9 billion), an increase of 37.9 percent on last year. This includes gross revenue of 39.2 billion yuan (about \$6.76 billion), a 39.7 percent rise.

Minister Yang Taifang said at the opening session of a national work conference yesterday in Beijing that the ministry will invest 25-30 billion yuan (about \$4.3-5.17 billion) in the industry's fixed assets this year. This will result in an additional telephone exchange capacity of 4.2 million lines in urban areas and 1.6 million lines in rural areas, leading to a major expansion of the country's telecommunications network.

He further revealed that in 1993, a total of 3 million new telephone sets will be installed in Chinese cities and 700,000 sets in the countryside.

The past 14 years have seen the fastest development in the posts and telecommunications sector since 1949. The sector's fixed capital investment amounted to 50.1 billion yuan (\$8.6 billion) between 1979 and 1992, some 9.6 times its total investment in the previous 30 years.

Since 1985, the growth rate of the sector's communication volume—reportedly the quickest in the world—has been ahead of the growth rate of national economy. And

since 1986, capital investment levels in China's telecommunication sector has exceeded the previous corresponding records set by the four Asian dragons—South Korea, Singapore, Taiwan and Hong Kong—during their "take-off" periods.

By the end of 1992, China's total telephone exchange volume had reached 32 million lines, ranking it among the top 10 nations in the world. However, it still lags behind many countries on a per capita basis.

Currently, every 100 Chinese people are covered by an average 1.63 phones, compared with 1.29 in 1991, although the rate has reached every 100 people covered by an average 10-18 phones in Beijing, Shanghai, Tianjin and some provincial capitals.

Now, about 98.9 percent of Chinese towns and townships and 95.8 percent of its administrative villages have access to postal services.

Minister Yang Taifang also envisioned a rosy picture for the prospect of posts and telecommunications in the country by the close of this century.

The country's total phone exchange capacity is expected to climb to more than 100 million lines, with every 100 Chinese accounting for five to six phones on average. It means each Chinese family will have an average of one telephone.

To ensure these targets are met, the minister put forward several tasks for 1993. These include speeding up the construction of a number of major fibre optical cable lines, reforming Chinese postal and telecom enterprises to improve their efficiency and taking bolder and more flexible steps to attract overseas investment.

Foreign Investment in Posts, Communications Urged

OW1702132793 Beijing XINHUA in English 1312
GMT 17 Feb 93

[Text] Beijing, February 17 (XINHUA)—China welcomes foreign businessmen to invest in its posts and telecommunications industry, but rules out the possibility of their getting involved in their management.

An official from the Ministry of Posts and Telecommunications said today that, along with the rapid development of the country's economy, the demand for postal and telecommunication services is rising sharply. Therefore, the state is looking for more channels of fund accumulation.

He said that the total investment needed in this sector this year is expected to top 25 billion yuan. Therefore, the industry suffers from a serious lack of funds.

At present, most of the funds for China's posts and telecommunications come from the ministry itself; the rest includes a small amount of state allocation and loans from within the country. China has been utilizing more

and more foreign funds in recent years, and this year such funds will make up 20 percent of the total investment in the industry.

He warned that even if the output of China-made program-controlled telephone exchanges, optical-fiber cables and mobile phones triples soon, it will not meet the demands of the rapid development of the economy.

China Ocean Shipping Companies Group Founded
OW1602224293 Beijing XINHUA in English 1433 GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—China founded an Ocean shipping group today, ending its sole reliance on foreign shippers for international trade.

The China Ocean Shipping Companies (COSCO) group takes as its core the China Ocean Shipping Company, the world's biggest shipping company. Another 80 companies will come under the group's umbrella including the China Ocean Shipping Agency, the China Marine Bunker Supply Company and the China Road Transportation Company, China's largest road transportation enterprise.

The group also has links with more than 300 companies at home and abroad.

With shipping, roading and air services under its control, the group is capable of providing a one-carrier service for clients, according to a spokesman for the group.

He said that the COSCO group has 600 ships with a loading capacity of 15 million tons. The fleet travels to 1,100 ports in more than 150 countries and regions. The group's container fleet is among the five biggest in the world.

The fleet opened overseas market in the late 1970s and now has 80 companies and agencies in more than 30 countries.

The COSCO branch in Britain, with business covering the whole country, has received formal recognition from the standard agency of Britain for its good service and management.

While engaged in transportation, the group also developed business covering ship leasing services and breakers yards as well as tourism, real estate and insurance service.

National Agricultural Bank Expanding

OW1402102193 Beijing XINHUA in English 0830 GMT 14 Feb 93

[Text] Beijing, February 14 (XINHUA)—By the end of January savings deposits in China's rural banks had reached a record 506.82 billion yuan (88.9 billion U.S. dollars), according to Ma Yongwei, president of the Agricultural Bank of China.

Although stocks, bonds and ballot sales in China grew popular last year, deposits in the rural banks increased by 100 billion yuan over the previous year, he said.

The president attributed the increase to the fact that China's further reform and opening up instilled new vitality into the country's rural economy.

The fast development of rural economy and the improvement of people's living standards in turn offered sufficient sources to enhance the bank deposits.

On the other hand, Ma said, the rural banks initiated a series of new forms of saving such as transferable receipt saving, wage saving, endowment insurance saving and only-child saving.

Grass-roots savings organizations under the agricultural bank and other credit associations have formed a complete rural savings network.

Rural banks and credit associations had offered a total of 788.8 billion yuan of loans by the end of 1992.

Beijing Profits From Overseas Workers

HK1202121693 Beijing ZHONGGUO XINWEN SHE in Chinese 0844 GMT 11 Feb 93

[Text] Beijing, 11 Feb (ZHONGGUO XINWEN SHE)—At a time when the international project contracting business and the labor market are shrinking drastically, Beijing municipality has managed to send out more of its construction teams and different kinds of laborers abroad. According to data that the municipal economic and trade commission released today, the value of new overseas labor services contracts signed last year totaled \$390 million, an increase of 175 percent over the previous year, and, by the end of the year, a total of 3,200 people from Beijing were working abroad, an increase of nearly 50 percent.

Beijing has continued to upgrade its reputation as a project contractor overseas. Beijing's contractors have for the first time won two major contracts valued at over \$100 million each. One was the Tehran subway project in Iran, and the other was a 49-km highway construction project in Malaysia. Another two contracts, the (Cintu) [xian du 0405 6757] subdistrict project in Kuala Lumpur and the Botswana office building project, were also won through keen competition with other competitors on the international construction project market. Prior to these projects, the Japan Tenkaen project, the largest Chinese-style garden ever built by a Chinese contractor abroad, was completed.

Beijing municipality has also been actively encouraging large and medium state-owned enterprises to directly explore the international market. The Shoudu Iron and Steel Corporation, the Beijing Municipality Construction Corporation, and the Beijing Municipality Architectural Design Institute have all been authorized to run businesses abroad. In their effort to implement a market diversification strategy, these enterprises have been

expanding their business operation network at an unprecedented speed. For example, the Beijing Municipality Construction Corporation has already set up its offices in 19 countries and areas, including the United States, Japan, Hong Kong, and Malaysia.

State of Rural Economic Development Reviewed

HK1602062793 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0632 GMT 9 Feb 93

["Special Article" by Zhao Duan (6392 4551): "Economic Situation in China's Rural Areas"]

[Text] The mainland made gratifying achievements in agricultural production last year. According to the statistics given by the Agriculture Ministry, the gross social output value of rural areas nationwide hit 2.366 trillion yuan in 1992, an increase of 465.6 billion yuan or 24.5 percent over the previous year; crop and plant cultivation in rural areas continued to grow; and the gross agricultural output value stood at 875.3 billion yuan, increasing 30.1 billion yuan or 3.6 percent over the previous year. The total output value of township enterprises amounted to 1,500 billion yuan, swelling 29 percent over the previous year, with export value reaching 94 billion yuan, up 40 percent over 1991. It is estimated that peasant per-capita income will reach 760 yuan, up 7 percent over 1991. The total output of grain, sugar crops, meat, and aquatic products were more than planned; while the production of cotton and oil-bearing crops failed to fulfill the 1992 plan owing to fairly serious disasters with their total output decreasing by a fairly big margin. An analysis shows that the main reasons for decreased cotton production are: One, some areas scrapped their preferential policies as a result of policy readjustment; and two, the major cotton-producing areas were hit by serious disasters, resulting in a decrease in per-unit yield. However, cotton production was still able to meet the demand of national economic development. For oil-bearing crops, there was a decrease in the production of the main varieties of rape seed and peanut. The production of sesame grew a little. A balance between demand and supply of oil-bearing crops should be achieved.

The economic situation in rural areas was comparatively good last year. This found expression in the following: 1. Secondary and tertiary industries in rural areas grew at a greater pace, constituting an important driving force promoting rural economic development; 2. the agricultural product mix and the rural economic and industrial structure were constantly readjusted and new progress was made in developing a highly efficient agriculture; and 3. a new breakthrough was made in developing an export-oriented agriculture and more foreign exchange was earned. However, the secret worry in rural areas can never be ignored. For example, the difficulty in selling some kinds of agricultural products has yet to be eased; peasants in many places still receive white slips as IOU's when selling their grain; prices of the means of agricultural production have risen sharply while the price of

grain continues to go down in some places—in many places, peasants gathered in a greater amount of grain but their income only increased a little or even remained unchanged; the malpractice of unauthorized fund-raising and apportionments prevailed resulting in a heavy burden to the peasants; a big area of arable land was used in some places for setting up various kinds of development zones resulting in an excessive decrease in land sown to grain; and so on.

Recently, the Chinese Government repeatedly stressed that it is necessary to attach great importance to agriculture, to strengthen leadership over agriculture under the conditions of the market economy, and to protect agriculture. It is estimated that the weather on the mainland will be as usual in 1993, that there will be increased input into agriculture, and that the supply of capital goods will basically meet the demand. However, it is not easy to fulfill the production quotas. We must continue to deepen rural reforms, concentrating first of all on the reforms of the pricing system of agricultural products and of the circulation system. A preliminary analysis shows that the land sown to grain will be readjusted downward, thus possibly affecting grain output, as a result of the readjustment of the structure of farm production. Production of cotton and oil-bearing crops will go up, thus meeting the market demand. Production of sugar crops remains promising. Production of meat and aquatic products will grow at a fairly great rate. The supply of flue-cured tobacco will exceed demand. Township enterprises including the tertiary industry in rural areas will develop vigorously. And income from nonagricultural production will become the main source of peasant income.

Agricultural Minister Gives News Conference

OW1702084193 Beijing Central Television Program
One Network in Mandarin 1415 GMT 16 Feb 93

[News conference given by Agriculture Minister Liu Zhongyi in Beijing on 16 February—recorded]

[Text] [Announcer, speaking from off screen] The State Council Information Office held a news conference for Chinese and foreign correspondents at the Beijing Media Center this morning. Agriculture Minister Liu Zhongyi was invited to introduce the situation of agricultural development in China and to answer correspondents' questions.

[Liu] China had another bumper harvest in 1992, the fourth since 1989. The situation on agricultural production in 1992 was good on the whole. The state's guidance plans for grain and cotton crops were fulfilled. The output of cash crops also increased over that of the year before. The output of economic crops, such as fruits and vegetables in particular, also increased very quickly. The varieties also increased. In animal husbandry and aquaculture, the trend of growing total output, which went on for more than a decade, continued in 1992. Our village and town enterprises developed very rapidly. In 1992,

we made major progress in economic reforms in rural areas. That was mainly because most agricultural products entered the market. With the exception of the reform of grain and cotton production, which still needs some time to accomplish gradually, all other agricultural products were distributed through the market. At the same time, we made new adjustments and progress in the industrial structure of rural areas. We made new progress in the agricultural product mix, crop cultivation, livestock and fish breeding in rural areas, the processing of agricultural and sideline products, village and town enterprises, and commerce and finance—that is, we further relaxed our restrictions and invigorated these sectors. The trend of comprehensive development of rural economies was formed.

[Announcer] Liu said: Some problems, such as too heavy a financial burden imposed on the peasants, widening price disparities, and illegal occupation of arable land, surfaced during the deepening of reform in rural economies, and the state has already taken steps to solve these problems. This year, the focus of agricultural work is to strengthen macroeconomic control and regulation, implement effective measures to protect the peasants' interests, and ensure the steady development of such major agricultural products as grain and cotton. Liu Zhongyi also answered correspondents' questions.

[Correspondent] I would like to ask something. In recent years, a bumper grain harvest was reaped every year. However, economic returns reaped by the peasants from grain planting dropped somewhat. It was said that by 2000 the amount of grain consumed by our state will be about 500 billion kg. What specific measures has the state adopted to protect the peasants' enthusiasm in planting grain, and how will it achieve its objectives?

[Liu] Concerning how we protect grain production and the enthusiasm of peasants who plant grain: We cannot simply use price subsidies. I am afraid the practice of using noneconomic-type resources will not be effective. Moreover, such a practice also has its limitations on the international marketplace. We think that grain is a major and special product, and we should protect grain production.

First, it is necessary to support the state's efforts to improve basic conditions for grain production. Main efforts should be devoted to building and improving water conservancy works, to transforming medium- and low-yield farmland, to improving crop-planting technology, to raising the level of farm-mechanization, and others. Central and local governments should coordinate with each other and give support to farmers in these endeavors.

Second, the Ministry of Agriculture has the responsibility of helping farmers in the area of application of science and technology, namely, of providing farmers with fine seedlings and with scientific farmland management methods, so as to enable them to produce high-yield and high-grade products and to raise their economic efficiency.

Third, the state will exercise effective regulation and control on the grain market to avoid a slump in sales and a fall in prices in times of good grain harvests, and to help avert the Chinese saying: "Dirt cheap grain hurts the farmers." That is to say, the state carries out the regulation and control of grain prices as well as procurement and grain storage. In times of crop failure, the state uses the leverage of its reserved grain to prevent a sharp rise in grain prices, which is an economic means for regulation and control. Another point is that we are going to gradually develop wholesale and futures markets for grain. These markets have been established in some cities and the results have been very good. This is a way to regulate grains according to good or bad harvests and according to disparity in varieties. It is hoped that the rates of input and output in grain production, and economic efficiency, will be raised through adopting such comprehensive measures.

[Correspondent] In my view, lightening of farmers' burdens is only a stopgap measure. [words indistinct] How are you going to come up with a fundamental solution to the problem of the farmers' burden?

[Liu] According to state rules, farmers' burdens are not heavy. We adopt a low-tax policy with regard to agriculture. We have practiced a low agricultural tax policy for several decades after the founding of the Republic. There are relatively few surtaxes. The state has stipulated that a farmer's burden should not exceed 5 percent of his average income for the previous year. Therefore, the level of burden for farmers is very low. However, farmers' actual burdens are higher than the state's stipulation. In particular, farmers' burdens have obviously become heavier since last year because peasants are made to bear other burdens—which exceed state-set limits. To strive for quick development, and for quick results in the course of deepening the reform, various trades and professions, and various quarters, have placed many demands on farmers. For instance, villages and townships need money to run schools and health centers, build roads, and install programmable telephones. But if they have no funds, they must devise their own methods. It is natural that people run their own affairs. Funds should be pooled for public works. Things will be easier provided there are not too many projects. But if all quarters need to raise money to start their businesses and all want contributions from farmers, farmers will not be able to shoulder this heavy burden. Since the latter part of last year, the CPC Central Committee, the State Council, and local governments have started to adopt measures to ban the imposition of levies on farmers which are in violation of state stipulations. The problem of farmers suffering from excessive burdens has become less acute since the fourth quarter of last year. The measures worked out so far are indeed stopgap ones, which have the effect of allowing only short relief from the problem. Further efforts are needed to work out a fundamental solution to this problem. First, it is necessary to develop the economy. The development of the rural economy and a rise in the

income level of farmers will basically help get rid of the issue of farmers' burdens. Second, legislation is needed. Some levies have been imposed, not in line with the law of the economy. This can be seen in the fact that to run things some government departments tend to give orders of imposition of levies to their subordinate departments; hence there is a need for legislation. As you know, yesterday I explained the PRC's Basic Agricultural Law to the NPC Standing Committee at the first session of the Seventh NPC Standing Committee. If adopted by the NPC, this will become a basic law protecting the farmers' interests. I believe that this basic law will play an important role. Third, while we stress that all projects are good and should be launched, we underscore the need to follow two principles. The first principle: They must be launched according to their capabilities. Rich rural areas may go ahead installing programmable control telephones, or even with building cable television stations. But for impoverished areas or for areas which are not that rich, it is not advisable to do so because they cannot afford it. In short, localities must act according to their own capabilities. The second principle: Localities must respect farmers' voluntary contributions of levies. If farmers are willing to make contributions, then localities may proceed with projects; farmers reserve the right to not contribute.

[BBC reporter] Has the Chinese Government lost control of rural cadres following the deepening of reform?

[Liu] Right now, there really is a considerable number of local cadres, mostly middle-aged and young cadres, who want some action themselves—that is, they want to run companies and enterprises. Well, there really is such a situation. It happens that our government organs have actually gradually become overstaffed and unwieldy over the years. Several organizational reforms have been conducted to streamline organs; it was hoped that the number of government workers could be reduced. People's burdens have become heavier and work efficiency is not high because our organs are too big and the number of personnel too large. Therefore, our organizational reform is aimed at changing functions, improving efficiency, and streamlining organs and personnel. So we hope some cadres will become businessmen or operators of secondary and tertiary industries. The State Council has called a special meeting to underscore the need to develop tertiary industries, and has said that cadres can be business operators if they want, on the condition that they must be divorced from administrative affairs. In other words, they can no longer assume administrative duties once they become business operators. As for rural areas, we hope they will have as many technical personnel as possible and that they can retain a small number of capable economic management personnel there, so that the peasants can demonstrate their autonomy and creativity even more fully as result of the introduction of operating mechanisms from the market economy. There should not be too much administrative intervention. Therefore, we would not object if the

number of grass-roots cadres in rural areas is appropriately reduced, and if more of them want to become businessmen.

[Correspondent] I am a correspondent from the Central Television Station. My question is: The Ministry of Agriculture recently proposed that a macroscopic agricultural regulation and control system be established as quickly as possible under market economic conditions, so that agricultural production can be stabilized and the peasants' production enthusiasm can be preserved. What do you think would be the biggest problem in the establishment of such a system? [Liu] This is a very important issue. I think that information is the first requirement for a regulatory and control system in rural areas and agriculture, especially grain production. We should establish an effective and accurate information network and system. The second thing is that the state should establish a reserve system, including one for grain, cotton and other farm products, because agricultural production will be influenced by natural disasters and so the output is unstable. However, the consumption of agricultural products, especially grain consumption, is a constant requirement. We cannot stop eating for a single day. Therefore, the state must have reserves. This is an extremely important aspect of the regulatory and control system. When we have such a regulatory and control system—reserves—the state can regulate market prices and solve the price problem. The third thing is the distribution system. As I mentioned a while ago, this includes the wholesale market, futures market, and the trading of agricultural products. In such a big and physically complex country like China, we must properly solve the problem of distribution of agricultural products. The fourth requirement is processing. Our processing capability is now quite inadequate, and so we expand our facilities for processing large quantities of agricultural products. The fifth requirement is to establish a support system. The state should support industries which produce goods for agricultural use, so as to stop the ever-widening difference between the prices of industrial and agricultural products.

[Announcer] Liu says that with such a macroscopic regulatory and control system we will be able to stabilize the production of grain, cotton, and other principal agricultural products which are related to the national economy and the people's livelihood. The present problems of establishing such a macroscopic regulatory and control system are these: 1) It needs a fair amount of investment; and 2) it needs the coordination from planning, banking, taxation, financial, and pricing departments. All those problems should be solved and improved constantly in the course of deepening the reform. Liu Zhongyi has also answered reporters' other questions, including surplus labor forces, and agricultural development after China's rejoining the GATT.

3 Billion Yuan in IOU's Cashed

HK1702064093 Beijing ZHONGGUO XINWEN SHE
in Chinese 0835 GMT 16 Feb 93

[By reporter Jia Quanxin (6328 0356 2946)]

[Text] Beijing, 16 Feb (ZHONGGUO XINWEN SHE)—Agriculture Minister Liu Zhongyi said here today that the Chinese Government will take measures to solve the problem of excess burdens among peasants. He disclosed that earlier this year, various localities cashed all the IOU's for peasants, involving a total of 3 billion yuan.

Liu Zhongyi said that last year, when China made important progress in economic reform, it could not pay cash to peasants, but issued IOU's to them when purchasing their farm products. Peasants experienced more appropriations and demands for funds from various sides, the prices of means of agricultural production surged, the sales of farm products were slow, and peasants did not increase income despite the fact that they increased production. Concerning this point, China has adopted various measures to protect peasants' interests, to enable the problem of excess burdens among peasants to be alleviated to some extent.

At today's news conference, Liu Zhongyi said that this year's key point is to increase macrolevel regulation and control over agriculture, and that the "PRC Agriculture Basic Law," which has been drafted, will be submitted to the approaching Eighth National People's Congress for examination. It is a basic law which protects the peasants' interests.

Talking about the appropriations sought from peasants in various fund-raising campaigns, Liu Zhongyi said that various localities should act according to their ability; that if they have no money, they should not seek appropriations of funds in a compulsory manner; and that peasants have the right to refuse such appropriations. At the same time, the State Council has demanded various ministries and commissions instruct local governments to control prefectures, counties, and towns, by so doing, last year's problem will not emerge.

Liu Zhongyi said: The problem of excess burdens among peasants has been reflected most strongly in the poverty-stricken areas, where agricultural production is unitary, and township and town enterprises are not developed; for example, Jiangxi, Hubei, Hunan, Sichuan, and Anhui are such areas. In areas where reform and opening up have developed relatively rapidly, such as Guangdong, Shandong, Zhejiang, and Fujian, peasants do not feel excess burdens, therefore, economic development is an important way to solve the problem of excess burdens among peasants.

Regulations, Control System Announced

HK1602145593 Beijing ZHONGGUO XINWEN SHE
in English 1329 GMT 16 Feb 93

[Text] Beijing, February 16 (CNS)—China will set up a set of macro-regulations and control system for agriculture, the Minister of Agriculture, Mr. Liu Zhongyi, announced today at a press conference.

The system will cover several items as follows:

- An information system which will be a network for the prompt release of various kinds of information on farming production.
- A storage system for grain and cotton reserves with the aim of curbing price fluctuations, since China sees instability in respect to grain and cotton production but constant consumption of them.
- A circulation system, namely, markets for wholesale agricultural produce as well as for futures with the aim of offering a venue for the exchange farming produce.
- A processing system for agricultural produce.
- A support system by which the state will lend its support for the basic building up of agriculture and for the invigoration of agriculture through the use of science and technology in a bid to prevent an expansion of the differences between industry and agriculture.

Mr. Liu said that the creation of this system could effectively help peasants get into such markets as those for production, circulation and processing in order to enable farming produce to be reasonably capitalized on.

Mr. Liu revealed that the total debt of RMB 3 billion [renminbi] owed to peasants across the country had been fully settled early this year.

Agriculture Minister Urges Spring Farming

OW1202134093 Beijing XINHUA Domestic Service in
Chinese 1042 GMT 11 Feb 93

[By RENMIN RIBAO reporter Jiang Xia (3068 1115) and XINHUA reporter Jiao Ran (3542 3544)]

[Text] Shanghai, 11 Feb (XINHUA)—The whole year's work depends on a good start in the spring. Hence, the primary task of agriculture departments at present is to coordinate with local governments at various levels in working relentlessly to promote spring farming for ensuring a stable growth of grain and cotton output this year. The aforesaid demand was put forth by Agriculture Minister Liu Zhongyi today at a national conference of directors of agriculture departments and bureaus.

The minister said: We must not be optimistic about the situation of this year's summer-harvested grain and oil-bearing crops, and the preparations for spring farming. First of all, the situation of summer-harvested grain and oil-bearing crops is not very promising as seen

from the following: 1) the area sown in the winter for summer-harvested grain crops has decreased by more than 4 million mu; 2) areas sown to late crops have increased while the fertilizer input is insufficient; and 3) serious plant diseases and insects have stricken some regions and the seedling conditions are not as encouraging as previous years, especially in the south. Second, the tendency to cut back grain and cotton production has become more and more evident in spring farming, and some localities have failed to make adequately prepare the materials necessary for spring farming.

In addition, according to forecasts by the State Meteorological Administration and the Agriculture Ministry's plant disease and insect pest survey stations, there is a high possibility of damage by low temperature, frost, and drought in the spring; and plant diseases and insect pests are likely to hit wheat, rice, and cotton crops. Therefore, all localities should fully recognize the difficulty of preparing for this year's spring farming, take prompt measures to utilize favorable and avoid unfavorable factors, and work hard to ensure a solid job in every aspect of spring farming.

The Agriculture Ministry has called on all localities to pay close attention to the field management of summer-harvested grain and oil-bearing crops, and to do everything possible to "exercise effective management to make up for the shortcomings in sowing." All localities should strive to raise per-unit yield to remedy the decreased sown areas and insufficient base fertilizers. Moreover, they should strive to keep areas sown to grain and cotton crops to remain basically stable. Efforts should be made to ensure adequate supply of materials and technologies. In conjunction with spring farming, all local governments should dispatch a number of competent leading cadres and agricultural technicians to go deep into the frontline of production to help local peasants work out farming arrangements, seeing to it that sufficient areas are sown with grain, cotton, and other staple crops.

Greater Control Over Tobacco Monopoly Urged

*OW1702124893 Beijing XINHUA in English 1233
GMT 17 Feb 93*

[Text] Beijing, February 17 (XINHUA)—The State Council recently issued a notice on further strengthening state administration over the tobacco monopoly.

The notice urged relevant departments to curb illegal activities in the production and transaction of tobacco, in accordance with the Tobacco Monopoly Law of the People's Republic of China, which went into effect on January 1, 1992.

The notice pointed out that some localities did not carry out properly the decision of the State Council on closing down unplanned tobacco manufacturing factories. Other problems included the aimless expansion of tobacco growing areas and declining profits for tobacco growing farmers due to fund appropriation, and the serious illegal

transportation and wholesale, profiteering, smuggling and production of cigarettes with fake trademarks.

The notice asked all localities including special economic zones and open areas, departments and industries to implement the Tobacco Monopoly Law strictly, prohibiting the establishment of tobacco manufacturing units without approval from the state; controlling aimless development of tobacco growing; and calling on tobacco corporations to sign contracts with farmers for the purchase of tobacco, to turn all the revenue from tobacco purchase outside the state plan over to the state and to lower the tobacco purchase price by 20 percent for tobacco purchased outside of the state plan.

The notice also asked for strengthening of cigarette market management and a crackdown on illegal activities in cigarette transactions, under the administration of the State Tobacco Monopoly Bureau.

Smuggled cigarettes discovered by the customs, frontier stations and industrial and commercial departments should be handed over to local tobacco corporations above the county level, while other departments have no right to dispose of these cigarettes.

All discovered cigarettes with fake trademarks should not be put on sale but destroyed by tobacco monopoly departments and local industrial and commercial administrations.

Cigarette retail stores without the special tobacco monopoly business license are not allowed to sell imported cigarettes.

Preparations for Three Gorges Project Stepped Up

*OW1202133093 Beijing XINHUA in English 1251
GMT 12 Feb 93*

[Text] Beijing, February 12 (XINHUA)—China has stepped up the pace of its preparation for the long-disputed Three Gorges project which got the go-ahead in April last year by the National People's Congress, the country's supreme power organ.

The Three Gorges Project Construction Commission, which is responsible for the 57 billion yuan (9.9 billion U.S. dollar) project, has already been set up to ensure the project will go smoothly and efficiently.

About 1,500 construction workers are putting up water and power facilities for the worksite in the dam area.

The designed storage capacity of the Three Gorges reservoir is 39.3 billion cubic meters. The dam at Sandouping will be 1,983 meters long, 185 meters high, 38 kilometers downstream from Yichang in Hubei Province.

A feasibility report said the project will have the world's biggest hydroelectric plant with a capacity of 17,680 megawatts and the annual electricity output will exceed 84 billion kilowatt hours.

The Gezhouba hydroelectric station on the Yangtze River has recently been put under the control of the newly-established Yangtze Three Gorges Project Development Corporation. The price of the electricity generated by the station will be raised to finance the Three Gorges project.

The corporation is an independent economic entity responsible for the dam's cost control and for running the hydropower station when it is completed.

The corporation is also responsible for raising the huge amount of funds needed for the project and debt repayment.

Lu Youmei, now deputy minister of energy, is the general manager of the corporation.

The government has also decided recently to put aside 0.3 cent for every kilowatt hour of the country's total annual power output as part of the fund for the project.

Statistics show that the country's power output for 1992 totaled 742 billion kwh, which means the government will raise about 2.2 billion yuan (about 379 million U.S. dollars) from the levy over the next decade.

The project will require 57 billion yuan (9.9 billion U.S. dollars)—a fixed budget based on 1990 constant prices. It will take 18 years and 10.8 million tons of concrete to build the dam.

Ways of funding the project are still under investigation but will include bank loans, the issuing of bonds and possibly stocks.

Experts are still working on the design of the project and a number of concrete problems including the purchase of machinery, equipment and generating units.

The decision of the National People's Congress to give the greenlight to the mammoth project has attracted immense interest from many overseas investors. Consortiums and corporations from the United States, Canada, Switzerland, France, Singapore, Taiwan and Hong Kong, and the World Bank have been seeking to have a hand in the project and in resettling the people to be displaced by the project.

The Three Gorges construction commission has set up a special department to take care of the resettlement of the more than a million people in Hubei and Sichuan Provinces to make way for the project.

An official in charge of the Yangtze Water Conservancy Committee told XINHUA that the resettlement work is going full steam ahead following the successful experiments in resettlement through development instead of merely paying compensation.

He said that about 6,100 local residents in the dam area will be resettled by the end of this year to vacate 540 ha of land for the dam's worksite.

Li Boning, a senior official in charge of the resettlement, said the government invested 460 million yuan in trying out the resettlement scheme through development from 1985 to 1992 and will allocate more funds for the program this year.

The resettlement experiments involved the completion of about 100 large projects, such as opening up and improving wasteland, animal husbandry, technology innovation, urban infrastructure construction and personnel training. They also involved the movement of 28 factories and four electric power stations, the transformation of about 14,000 ha of low yield farmland and the development of quality orchards.

East Region

Anhui CPPCC Committee Session Ends 8 Feb

OW1302223193 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 8 Feb 93

[From the "Provincial Hookup" program]

[Excerpts] The first session of the seventh provincial committee of the Chinese People's Political Consultative Conference [CPPCC] concluded in grand style at the Jianghuai Theater in Hefei this afternoon. Chairman Shi Junjie presided over the concluding session.

Seated in the front rows of the rostrum were leaders of the seventh provincial CPPCC committee and leading officials of the province's party, government, and military, including Lu Rongjing, Fu Xishou, Wang Guangyu, Hou Yong, Meng Fulin, Wang Taihua, Long Nian, Wang Sheyun, Qian Jingren, Yue Shucang, Li Mingjun, Rong Guanghong, Song Ming, Xu Rongnan, Wu Dongzhi, Xu Xueshou, Wang Shengjun, Shao Ming, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Zheng Rui, Xu Leyi, Wang Zenong, Pan Ezhang, Me Leting, Men Yiqi, Ying Yiquan, Kang Zhijie, Chen Tianren, Chen Tingyuan, Du Hongben, Lu Zhixiu, Du Yijin, Wu Changqi, Zhang Runxia, Lu Zaiyan, Wang Xiuzhi, Wang Xinglin, and Hu Guangrui. [passage omitted]

First, an official read a political resolution of the first session of the seventh provincial CPPCC committee and a report on examinations of motions submitted to the session, which were approved by acclamation.

After that, Comrade Lu Rongjing, secretary of the provincial CPC committee, spoke. He recalled the history of the CPPCC and expounded on the important role it played in the various historical phases of our country and province. [passage omitted]

Xiamen To Finance Road With Land Lease Income

HK1402080593 Beijing ZHONGGUO XINWEN SHE in Chinese 0436 GMT 10 Feb 93

[By reporter Yang Fushan (2799 0126 1472)]

[Text] Xiamen, 10 Feb (ZHONGGUO XINWEN SHE)—In order to ease the shortage of funds for capital construction, Xiamen city authorities have decided to run the Xinglin-Qianchang highway project by a "loan-initiated land lease financing" program. This will be the first time for the city to finance a project by a program of this type.

The Xinglin-Qianchang highway will be based on the remodeling and extension of the Jimei-Guankou highway. The Jimei-Guankou highway, formerly known as a section of No. 319 national highway, has served as a trunk highway linking Xiamen and Guangzhou. In the wake of accelerated development of the Xiamen Special Economic Zone, this highway has been found more and

more lagging behind the massive development and construction of the investment zones at Xinglin, Haicang, and Jimei, run with Taiwan capital, and of the Asian Industrial City project. It badly needs to be remodeled and extended. In this connection, the Xiamen city government has decided to adopt a "loan-initiated land lease financing" program to build the Xinglin-Qianchang highway on the basis of the rebuilt Jimei-Guankou highway. The whole project will require 75 million yuan to run. As the first step, the Xiamen city communication and transportation department will secure a bank loan of 15 million yuan as a starting fund. Then the city government will grant two land leases, one involving a plot of 40,000 square meters and the other a plot of 20,000 square meters, for both commercial and residential building development projects, to the districts of Xinglin and Jimei respectively. The financial return from land leases will be shared by the two districts in proportion to finance the highway project and other supporting construction works.

According to the plan, the total length of the Xinglin-Qianchang highway is seven km, and the project is expected to be completed within this year.

Jiangsu Boosting Export-Oriented Economy

OW1002130493 Beijing XINHUA in English 1241 GMT 10 Feb 93

[Text] Nanjing, February 10 (XINHUA)—East China's Jiangsu Province plans to set up five transnational companies in line with international conventions so as to boost its export-oriented economy.

These companies are expected to focus on the five markets of Southeast Asia, the United States, Germany, Africa and the Commonwealth of Independent States each so as to gradually form an international economic network.

According to a provincial official, Jiangsu already has established trade relations with 146 countries and regions. Its total volume of imports and exports amounted to 6.24 billion U.S. dollars last year.

The official attributed the good results partly to enterprises' efforts to make contacts overseas. A survey report shows that Jiangsu's enterprises, the key enterprises in particular, have set up 158 non-trading enterprises overseas.

Jiangsu, whose economy accounts for one tenth of the country's total, has become a hot place for foreign investment in recent years. A number of transnational and financial groups have made investment in key industries and science and technology in Jiangsu.

The official noted that business people from 69 countries and regions came to Jiangsu to invest last year and the province approved of the establishment of about 8,000 foreign-funded enterprises involving a total investment of 7.2 billion U.S. dollars last year.

The industrial output value generated by rural industrial enterprises in Jiangsu Province last year accounted for more than one half of the province's total.

The official explained that Jiangsu, the birthplace of rural industrial enterprises, has about 10,000 rural industrial enterprises producing export-oriented goods, and 60 percent of them are cooperating with overseas business people in running joint ventures. The number of farmers who open businesses overseas is increasing.

To further boost export-oriented economy, Jiangsu has set up ten state development zones along the Yangtze River and the main railway line. These zones will be operated in line with international conventions.

Shandong's Jiang Chunyun Addresses Bank Presidents

SK1302143593 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 12 Feb 93

[Text] The provincial meeting of presidents of banks and managers of insurance companies was held at Zhenzhuquan Auditorium in Jinan on the afternoon of 12 February. Provincial leaders Jiang Chunyun, Zhao Zhihao, Li Chunting, Song Fatang, and Guo Changcai attended the meeting.

In his speech, Jiang Chunyun, secretary of the provincial party committee, called on comrades in banking circles to enhance their spirit, make continued efforts to work hard in unity, and make a beginning from a high standard in order to make new contributions to effecting rapid and good progress in the province's economy with practical actions.

Jiang Chunyun pointed out: Banks play an increasingly important role and occupy an increasing prominent position in the arena of developing the socialist market economy. To accelerate the pace of the province's reform and opening up, the banking front is urgently demanded to embark on a new stage in reform and development and to achieve even greater results.

Jiang Chunyun set forth five expectations on the banking work this year:

1. We should continue to study and implement the guidelines of the 14th CPC National Congress, further emancipate our minds and change our mindsets, embrace the ideas of large-scale banking and large-scale market, and give better play to the role of banks in regulating, promoting, and optimizing the economy.
2. We should firmly grasp the reform and opening up of the banking front and strive for greater vitality, more funds, and better efficiency in the course of deepening reform and expanding the scale of opening up.
3. We should raise as much funds as possible through diverse channels and from diverse fields in the course of firmly grasping the two gates of currency and credit and

should try every possible means to provide effective service for the reasonable fund demands of economic development.

4. We should exert great efforts in making flexible and good use of the funds and should make better use of the banks as a lever to promote the all-around development of the rural economy in order to help improve the level of enterprises and the grade of products and accelerate the formation and development of predominant industries.

5. We should accelerate the development of the insurance undertakings by expanding the business of insurance companies and improving the quality of their service in order to make them play an even greater role in stabilizing the production of enterprises and the livelihood of the people.

Vice Governor Guo Changcai also spoke at the meeting. He said: This year, the banking work should be focused on stabilizing and supporting agricultural development, on helping accelerate the readjustment of economic structure, on improving the overall quality of the national economy, and on positively raising funds to support the rapid development of the tertiary industry. At the same time, banking departments should continue to increase the dynamics to support the development of the export-oriented economy and concentrate funds on building key projects and developing the insurance undertakings to provide guarantee for the stable development of the national economy.

Shandong Vice Governor on Economic Work, Tasks

SK1602094693 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 15 Feb 93

[Text] The province should continue to realistically shift the focus of the industrial, communications, financial, and trade work into the orbit of readjusting structures, improving the quality, and increasing efficiency. This was defined at the provincial economic work conference held in Jinan on 15 February.

Ma Shizhong, vice governor of the provincial government, stressed at the conference: This year, we should firmly grasp the key link of deepening reform and expanding the scale of opening up. Trying every possible means to enliven state-run large and medium-sized enterprises is an issue relating to the overall economic situation. By implementing the regulation on changing the managerial mechanism of state-owned large and medium-sized enterprises and the method for implementing the regulation, we should realistically enliven large and medium-sized enterprises. We can also adopt, if necessary, the method of dissecting a sparrow and the method of individual drilling to enliven large and medium-sized enterprises one after another. We should carry out the shareholding system in a well-planned and well-guided manner. This year, we should expand the trial implementation of the system. The enterprises, where conditions permit, should strive to issue stocks to

society and [words indistinct]. Small and medium-sized enterprises should positively carry out the method of letting staff and workers buy shares. The newly established enterprises should carry out, in principle, the shareholding managerial mechanism. Town and township enterprises should also comprehensively carry out the shareholding cooperative system. With regard to the issue of opening to the outside world, the enterprises should focus on linking industry with trade and coordinating domestic market with international market.

Ma Shizhong pointed out: We should concentrate energy on supporting large and medium-sized enterprises to make technological progress and conduct technological transformation, strive to basically ensure [words indistinct] in the next three or five years, and promote the structural readjustment. We should grasp the upgrading of key industries and key products and [words indistinct].

Shandong Circular on Technical School Enrollment

SK1402092893 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 11 Feb 93

[Text] The provincial planning commission and the provincial vocational education office recently issued a joint circular to mutually make arrangements for the secondary technical schools throughout the province to enroll their students of staff members and workers in 1993. The enrollment quota of this year is 60,000 personnel. These secondary technical schools have respectively set up the much-needed and shortage specialized courses for the high- and new-tech industries, for the export-oriented enterprises, and for the tertiary industrial enterprises. Schools that have had conditions for the enrollment this year may enroll a number of graduates from the senior or junior middle schools and jobless youths. They may conduct ordinary and training classes simultaneously. Staff members and workers who graduated from junior middle schools and have won the titles of labor models, advanced workers, or outstanding Communist Party members, which have been conferred by the people's government and the party committee at or above the city-prefecture level as well as by the provincial level departments and bureaus, may enter these technical schools without taking an examination. We may give preferential enrollment to entrance examination candidates who are the backbone personnel of production and business, are returned Overseas Chinese or the family members of Overseas Chinese, and are from mountainous and lakeside poor areas and from township enterprises.

The date of entrance examination held for these secondary technical schools throughout the province has been fixed on 17-18 July this year. The total number of various secondary technical schools for staff members and workers, which will join in the unified entrance examination this year reaches 201 that have provided more than 160 specialized courses. The work of having

candidates enter their names for the unified entrance examination is being carried out in an overall way.

Huang Ju on Shanghai Economic, Social Development

OW1602125193 Beijing XINHUA in English 1154 GMT 16 Feb 93

[Text] Shanghai, February 16 (XINHUA)—Shanghai, China's leading industrial center, plans to increase production by at least ten percent and its import and export volume by 15 percent this year.

This was announced by Huang Ju, mayor of the city, at the first session of the tenth municipal people's congress opened here today.

Shanghai's production value amounted to 105.4 billion yuan last year.

According to the mayor, municipal revenue is expected to increase by four percent this year and the inflation index will be held under 10 percent.

Huang noted that brisk international economic and trading activities and the steady growth of the national economy have provided a favorable macro-environment for Shanghai to continue its economic development.

However, the shortage in communications and the supply of capital as well as the rise of production costs will limit its economic growth.

To accomplish its goal, the mayor said, the city will give priority to adjusting its industrial structure this year.

The proportion of input in the service trade will rise to 55 percent of the total investment in fixed assets this year.

While boosting the service trade, the city will adjust the industrial structure and develop new and high-tech industry.

The mayor called on localities and enterprises to expand foreign cooperation and import advanced projects and high technology.

In addition, Huang noted, the city will speed up the development of the Pudong area while improving communications facilities this year.

Wu Bangguo Supports Foreign Management Methods

OW1402061493 Beijing XINHUA Domestic Service in Chinese 0453 GMT 9 Feb 93

[By reporter Chen Jiming (7115 4949 2494)]

[Excerpts] Shanghai, 9 Feb (XINHUA)—State enterprises imitating management methods of the "three-types of wholly or partly foreign-owned enterprises" have been regarded as a bold experiment in Shanghai's

enterprise reform. They were jokingly termed enterprises with "imitation foreign skin." After experimenting for a short period of just over a year, the reform method has been won appreciation from the higher levels to the grass-roots in Shanghai. Everybody says: Enterprises with "imitation foreign skin" are very good. [passage omitted]

Nineteen enterprises with 97,000 personnel in Shanghai were involved with the experiment with "imitation foreign skin" management methods. [passage omitted]

Reform policies have truly played an effective role. However, soon after the start of reform, enterprises encountered a tricky problem: Should they change tax and accounting systems? The Shanghai Analytical Instrument Plant had gone ahead and changed its accounting and tax systems from those of a state enterprise to those of a joint venture. However, its action was criticized by relevant departments. Huang Huidi, chief accountant at the plant, said: Such practice not only conforms with normal international procedure, but also yields actual benefits. She wrote what she thought in a letter to Wu Bangguo, secretary of the municipal party committee. Comrade Wu Bangguo warmly backed such reform activity characterized by bold experimentation and exploration. Such reform endeavor and Wu Bangguo's affirmation have caused chain reactions in reform in Shanghai and have created favorable conditions for the achievement of subsequent breakthroughs.

Shanghai Holds Party Propaganda Work Meeting

OW1302131093 Shanghai People's Radio Network in Mandarin 2300 GMT 10 Feb 93

[From the "Morning News" program]

[Text] The Shanghai Municipal CPC Committee's Propaganda Department held a meeting on the 1993 propaganda work for Shanghai Municipality at the Shanghai Exhibition Center yesterday [10 February].

Jin Binghua, member of the Standing Committee and director of the propaganda department of the municipal party committee, relayed guidelines from the national forum of propaganda department directors.

He said: The CPC Central Committee and the municipal party committee pay very close attention to propaganda and ideological work. The propaganda and ideological work is under very favorable conditions. It has a special significance under the new situation. Guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, we should regard publicizing and teaching the theory on building socialism with Chinese characteristics and the party's basic line as our fundamental tasks in propaganda and ideological work in the new period.

After reviewing propaganda and ideological work in 1992, Jin Binghua arranged propaganda and ideological work in 1993 for Shanghai Municipality.

Chen Zhili, deputy secretary of the municipal party committee, attended and spoke at the meeting. She put forward the demands for 1993's propaganda work.

She said: To arm the whole party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a top priority task in propaganda and ideological work. Focusing on the central task of economic construction in doing a good job in propaganda and ideological work is a requirement set by the party's basic line, as well as a fundamental task of propaganda and ideological work in the new period. Striving to improve municipal residents' quality and raising the civility level of cities is a principal aspect in Shanghai's spiritual civilization construction. We should seize the opportunity of the upcoming East Asia Games in Shanghai to improve municipal administration, appearance, and sanitation; to launch various campaigns of civilized services; and to strengthen professional ethics. Furthermore, we should promote the education in patriotism, collectivism, and socialist ideology, and attach importance to raising municipal residents' ideological and ethical levels, cultural and scientific knowledge, and working skills so as to adapt to the requirements of reform, opening up, and modernization drive.

More HK, Macao Representation at CPPCC Session

OW0902195793 Beijing XINHUA in English 1522 GMT 9 Feb 93

[Text] Shanghai, February 9 (XINHUA)—The number of people from Hong Kong and Macao to attend the first session of the eighth municipal committee of the Chinese People's Political Consultative Conference (CPPCC) of Shanghai, scheduled to open on February 14, will increase from 16 to 22.

The increased representation was made known at a press conference held today by the CPPCC Shanghai municipal committee. The enlarged representation includes 10 new members.

The 10 new members, eight from Hong Kong and two from Macao, are people in such areas as business and trade, finance, science and technology, and their average age is less than 50.

Column Applauds Cancellation of Coupon System

OW1102180293 Shanghai JIEFANG RIBAO in Chinese 27 Jan 93 p 2

[From the "Economic Commentary" column by Xu Wenlong (1776 2429 7893): "Comments on Imminent Cancellation of Grain and Oil Coupons"]

[Text] The all-around opening of a consumer goods market and the cancellation of coupons for local planned commodities and market supply in Shanghai this year, particularly cancellation of the 40-year-old grain and oil coupons, has been applauded by Shanghai residents as a

great joyous event, sending a signal that Shanghai, in its early lead for establishment of a socialist market economy, has entered a new phase.

For the past several decades, planned supply on production of coupon has become a marvelous spectacle in China's economic life—from grain, oil, meat, fish, sugar, tobacco, and cloth coupons to matches and soap coupons. Its wide coverage from food and clothing to consumption and living has been so wide that one almost cannot go without them. Why should such a marvelous spectacle have surfaced under a planned economic system? Two relatively over-emphasized reasons were reportedly cited in those years: First, the shortage phenomenon always existed under socialist conditions, offering no alternatives for its solution other than the application of planned quotas for the distribution of limited goods and materials. Second, it was only through the adoption of a planned distribution system that the so-called fair principle could be realized. This is what we call "poverty posts no problems; it is inequality that matters." The economic restructuring, which underscores liberalization and market direction, has been constantly pounding the planned system. Flourishing markets have gradually reduced the use of coupons, resulting in the ultimate overrun of the last bastions of grain and oil coupons today. Such swift development indicates that the two reasons quoted above are unsustainable.

In fact, the shortage phenomenon is not necessarily related to socialism. If the shortage phenomenon has truly become a "monopoly" of socialism, then where is the superiority of socialism, and how are we going to explain that socialism is a sure choice of history? There are also people who attributed this state of affairs to China's limited resources and overpopulation. This is not necessarily so, either. Both Europe's Switzerland and Asia's Japan are no better off than China in terms of resource shortages and population density; however, they face no shortages. The essence of the issue lies in the exclusion of market by quotas and the substitution of competition by unified control under the planned economic system, creating a situation where effective supply and ineffective demand fail to meet each other for a long period. The end result of insufficient supply at one end and huge wastage at the other has further worsened the shortage phenomenon. It can be noted that the shortage phenomenon is a product of the old system's planned economy and not the characteristics of socialism. Moreover, the principle of fairness should be demonstrated in the form of common prosperity. The first step leading to common prosperity is to make a bigger cake; if the cake is not big enough and production is not well developed, we will be unable to achieve common prosperity no matter how fair we are in our distribution. Fairness should also be reflected in the equality of opportunities. Under planned economic conditions, there is no separation of powers between the governments and the enterprises and between ownership rights and enterprise operations with everything being subject to examination and approval and quotas. Under such circumstances, where

is the equality of opportunities and how to contribute one's talents? In contrast, it is only under the market economy that the shortage phenomenon can be resolved with increased effective supply, that we can develop the economy through fair competition under equal opportunities. It is only when we have developed our economy and made a bigger cake that we will be able to truly achieve common prosperity.

Today is yesterday's pupil. From the introduction, reduction, and today's withdrawal of coupons, people have learned something along a very unusual track. It is this unforgettable phase of history that offers us an opportunity to attend a reform lecture on two reforms with different results and a mandatory lecture on upholding the party's basic line.

Shanghai is China's largest industrial and commercial city, best qualified for leading others in establishing a new socialist market economy system. The all-around opening of a consumer goods market and the cancellation of coupons for local planned commodities and market supply signifies that Shanghai has taken a new step forward in establishing a new socialist market economic system and has initially shaped its central status in forming a big market, business, and circulation. This should serve as a filling station and an important milestone from which we can charge ahead amid victory and jubilation.

Zhejiang Enterprises Expand Overseas Business

OW1502135393 Beijing XINHUA in English 1232
GMT 15 Feb 93

[Text] Hangzhou, February 15 (XINHUA)—Eastern China's Zhejiang Province is encouraging its enterprises to conduct more businesses overseas.

According to the latest statistics, the province had established 112 enterprises overseas by the end of 1992.

Included were 56 opened in developing countries in Africa, Latin America and the Middle East last year.

A provincial official said that the establishment of enterprises overseas has helped foreign trade enterprises collect timely market information and boost exports.

Zhejiang's enterprises overseas helped the province to export an additional 200 million U.S. dollars-worth of goods last year.

Central-South Region

Migrant Workers Strain Guangzhou Railway System

HK1702005493 Beijing ZHONGGUO XINWEN SHE
in Chinese 1307 GMT 15 Feb 93

[By correspondent Hua Shufen (5478 2885 5358)]

[Text] Liuzhou, 15 Feb (ZHONGGUO XINWEN SHE)—Migrant workers traveling down south in the wake of the Spring Festival have caused railway traffic jams and train delays, crowded passenger cars, and become a serious headache for Guangxi railway transport after the festival.

Beginning on 26 January, that is, on the fourth of the first month on the Lunar Calendar, 10,000 to 150,000 migrant workers daily from Sichuan, Hunan, and other areas traveling to Guangdong and Hainan have been crowding round Liuzhou, Dongan, and Quanzhou stations, all of them under the Liuzhou Railway Subbureau. Train cars were packed full with floods of migrant workers. A large number of passengers boarded the trains by climbing through the windows.

On 30-31 January, when No. 166 Kunming-Guangzhou express train was arriving at Quanzhou Railway Station, the buffer springs of seven of its cars sank, holding up the train for eight hours. According to the Liuzhou Railway Subbureau, 80 passenger trains missed their schedules from 26 January to 3 February because of the deluge of migrant workers. As an excessive number of Guangzhou-bound passenger trains has made it impossible to dispatch cargo trains, railway bureaus along the affected lines suspended Guangzhou-bound cargo trains from 31 January to 6 February.

As passenger trains were all packed full, long-haul passengers were unable to rest and get normal catering supply. Old and weak passengers suffered the most from this. On 31 January, on No. 166 express train, two passengers passed out and were hospitalized. Many migrant workers suffered from delusions from excessive fatigue and killed or wounded themselves by jumping out of train cars. There were two such cases on No. 166 express train on 4 February, with the unfortunate result of one death and one injury.

The massive migrant worker flows have started to peter out after 4 February. But at present, Liuzhou Railway Station is still crowded with people. Passengers are vying to cram in or get off the crowded cars.

Guangdong Group To Recruit Personnel From Abroad

OW1602075193 Beijing XINHUA in English 0638
GMT 16 Feb 93

[Text] Guangzhou, February 16 (XINHUA)—South China's Guangdong Province has sent an 11-member delegation to the United States and Canada to recruit Chinese students studying abroad and Overseas Chinese to serve in the province.

Zhong Gengrui, vice-president of the Guangdong Provincial Association for International Personnel Exchanges, said that the delegation will stay abroad from February 15 to March 23.

Zhong, head of the delegation, said that Guangdong plans to invite more than 800 qualified people involved in the fields of trade, finance, electronics, telecommunications, construction, transportation, medical treatment and 100 other specialities.

He said that Guangdong will implement preferential policies for students studying abroad, who will be free to leave or stay in Guangdong. They can choose to work in any state-run enterprise or institution, government organization, collective enterprise, joint venture, rural enterprise or non-governmental institution.

Hainan Secretary Urges More Singaporean Investment

HK1502015093 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 9 Feb 93

[Text] Interviewed by Singapore's LIANHE WANBAO reporter Han Shanyan yesterday morning, Ruan Chongwu, Hainan provincial CPC secretary and provincial governor, said: Hainan's current policies for reform and opening up will not be changed despite the change of the major leaders of Hainan Province. We very much welcome foreign businesses, especially Singaporean traveling businessmen, to invest and set up shop in Hainan. Ruan Chongwu said: In the speech I delivered at the closing ceremony for the First Session of the First Hainan Provincial People's Congress, I stressed that the new leading group will unchangeably implement the line, principles, and policies of the CPC Central Committee and the State Council; their determination to quicken Hainan's reform, opening up, and modernization will remain unchanged; and the various basic policies for the Hainan Special Economic Zone will remain unchanged. The fact that these will remain unchanged is intended to maintain the consistency and continuity of policies. This is a very important point, as frequent changes make people feel at a loss. Since Hainan was founded as a province and a large special economic zone, its development and construction have been very rapid and its trends of reform and opening have been very good. Of course, some problems and difficulties also exist. We must make great efforts to improve the investment environment, change current dilatory habits and practices, improve work efficiency, and offer still better service to make investors rest assured. Ruan Chongwu emphasized amply the need to strengthen ties and cooperation between Hainan and Singapore. He pointed out: Hainan is very near Singapore. Hainan can have closer ties with Singapore than other provinces, municipalities, and autonomous regions can. Singapore has experience in the development of tourism, which is worth learning and using for reference by Hainan. We must create conditions to strive for the earliest possible launching of regular flights between Hainan and Singapore, which will be beneficial to mutual exchanges and cooperation. Ruan Chongwu said: Hainan pursues a preferential taxation policy, and entry visas are very easy to obtain as well. I hope the press will do a lot to make Hainan's situation known abroad to enable Hainan to attract more

investors. We welcome foreign businesses, especially Singaporean traveling businessmen, to help Hainan develop its infrastructure, including airports, ports, and expressways. Ruan Chongwu was very concerned with the Third World Hainan Publicity and Literary and Art Meeting, which is to be held this November. He said: We very much welcome the fact that the meeting will be held in Hainan. This is for the glory and pride of Hainan people. He wished the meeting a complete success. Li Dengsuan, director of the Hainan Provincial Overseas Chinese Office, and others were present during the interview.

Hainan's Ruan Chongwu on Economic Construction

HK1602095893 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 10 Feb 93

[Excerpts] Yesterday morning [10 February], the provincial government called an enlarged plenary meeting to prepare the provincial government's major work for the current period. The meeting stressed the need to focus on economic development as the central task, further quicken the pace of reform and opening up, improve the government's work efficiency, consolidate unity, be practical and pragmatic, do all one can to blaze trails, and promote the stability and development of the Hainan Special Economic Zone. Over 200 persons attended the meeting, including provincial Governor Ruan Chongwu, provincial Executive Vice Governor Wang Xiaofeng, provincial vice governors Chen Suhou, Mao Zhijun, Wang Xueping, and Liu Mingqi; and persons in charge of various departments and bureaus.

Wang Xiaofeng presided over the meeting, and Ruan Chongwu gave an important address. Ruan Chongwu pointed out: Taking economic construction as the central task is the CPC's basic line and central focus as well as the common aspiration and urgent call of the 6.7 million people of various nationalities in Hainan. Paying close attention to this central task has particular significance for Hainan. All government jobs must be launched around the central task of economic construction, and all jobs must serve this center.

It is necessary to stress the role the development of tourism has had in Hainan's economic development in light of Hainan's actual conditions and of the trends of economic and social development at home and abroad so that it can eventually become the locomotive for the entire province's economic development [words indistinct]. It is necessary to continue to stress the fundamental role of agriculture and the important role of industry. Agricultural and industrial development, especially the development of light industry and the processing industry for agricultural and sideline products, will in turn greatly promote the development of tourism. It is necessary to vigorously promote industrial and agricultural development and the development of other tertiary industries.

Industry must be vigorously developed on the precondition of gradually expanding and improving tourist conditions [words indistinct], with the emphasis on the development of key projects and the improvement of the investment environment. Agriculture accounts for a very large proportion of Hainan's national economy and must always be heeded and vigorously developed [words indistinct]. Ruan Chongwu maintained: In order to ensure the sustained, steady, and speedy development and construction of the Hainan Special Economic Zone, it is necessary to further deepen reform and expand opening up, [words indistinct], and establish the socialist market economic system as soon as possible. [passage omitted]

Speaking on the question of amplifying the legal system, Ruan Chongwu said: It is necessary to stick to the principle of ruling the province in accordance with the law, fully utilize the legislative power the central authorities have conferred on Hainan, and amplify the legal system in keeping with the demands of Hainan's economic development and the market economic system. We must now concentrate our main energy on strengthening the revision of laws and regulations, [words indistinct] and on fostering the good practice of the special economic region government in exercising administration in accordance with the law. [words indistinct] [passage omitted]

Finally, Ruan Chongwu called on leading cadres at all levels to further emancipate the mind, seek truth from facts, boldly blaze new trails, actively keep forging ahead, unite as one, work hard, inaugurate a new situation, pay conscientious attention to all provincial government jobs, and repay the broad masses of the people for their trust in the government.

Hainan Vice Governor Inspects Prefecture

HK1602100593 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 10 Feb 93

[Text] During an inspection tour of Qiongzong Li-Miao Autonomous Prefecture on 6 February, provincial Vice Governor Wang Xiaofeng stressed: Although there are many facets of agricultural work, economic construction is the central task. With the objective of improving peasants' incomes, it is necessary to boldly go ahead with work when it is deemed feasible. After listening the work report by the leading group of Qiongzong County, Wang Xiaofeng made an inspection tour and deeply inquired into these ethnic Li villages and ethnic Miao stockaded villages to inquire about their experiences in reaching prosperity.

In a certain ethnic Li mountainous town, provincial Vice Governor Wang expressed satisfaction at its booming township and town enterprises. He said: For peasants to become prosperous, the most important thing is the existence of a good party branch. The CPC committee of this ethnic Li mountainous town became one of the country's advanced basic-level CPC organizations primarily because its party branch acted as a fighting bastion, with its party members taking the lead.

Speaking on the question of how to quicken the pace of reaching prosperity, he suggested that one township or town pay close attention to several demonstration districts and demonstration households. He encouraged local cadres to go ahead with work when they deem it feasible, benefit from the policies of the special economic region, utilize the advantages of the mountainous areas and the ethnic minority areas, and lead the peasants to change concepts, boldly readjust the industrial structure, speed up the development of cash crops, properly run township and town enterprises, and activate the flow of agricultural and sideline products.

Henan Secretary Speaks on Reform, Peasant Burdens

HK1402080693 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 10 Feb 93

[Excerpts] Provincial party Secretary Li Changchun conducted an investigation and study tour of Kaifeng from 8 to 9 February on ways to speed up the pace of changing operational mechanisms of enterprises and implement the decision of the provincial party committee and provincial government on reducing the burdens of peasants.

On the afternoon of 8 February, Li Changchun convened a seminar attended by plant directors or party committee secretaries from 12 large and medium-sized enterprises. At the meeting, he outlined four views on specific issues concerning the changing of operational mechanisms of enterprises:

One. The changing of the operational mechanisms of state-owned enterprises constitutes a central link to the establishment of a socialist market economic system. This is both an economic issue as well as an important political issue which affects the overall situation. Hence, leaders at all levels should, with a strong sense of historical responsibility and pressing sense of the times, be fully determined to do a satisfactory job.

Two. He stressed the five key problems related to the changing of operational mechanisms of enterprises at the present time. 1) It is necessary to put into effect the decisionmaking powers of enterprises to conduct their own operations, and to separate government from enterprises. The demands on the government are: Delegate powers, transform functions, improve service, and raise efficiency. 2) It is necessary to seize firmly the internal reform of enterprises so that they can shift from the original path of a planned economic system to the path of market economic system. This is the core in the effort to change the operational mechanisms of enterprises. Our enterprises were formed under the system of a planned economy. Not only should the enterprises be changed from without, but more importantly, they should also be changed from within. At present, it is necessary to continue to deepen the reform of the three systems within enterprises. 3) It is necessary to continue to foster a socialist market network which is an important prerequisite for the changing of the operational mechanism of enterprises. The method of fight, attack, and elimination

may be instituted in the property industry in big cities. 4) It is necessary to probe new methods of asset management for state-owned enterprises. Our widely-implemented system of contracted responsibility should be further perfected. In addition, it is necessary to speed up the pace of introducing the shareholding system where shares are not floated in the market. [passage omitted] 5) It is necessary to improve further social insurance system, and perfect old age pension and unemployment insurance. [passage omitted]

Three. It is necessary to boost the transformation of enterprises, development of new products, management of enterprises, and their economic performance through reform.

Four. It is necessary to bolster leadership over transformation of the operational mechanisms of enterprises. Standing at the frontline of reform, party committees at all level should arm the minds of cadres and people with the spirit of the 14th Party Congress, do a good job in ideological motivation, and carry out intensive, meticulous political and ideological work. People who are willing to institute reform and dare to be innovative should be selected to leading posts in order to bolster awareness of overall reform. [passage omitted]

On the morning of 9 February, Comrade Li Changchun convened a seminar on how to reduce the burdens of peasants in Pengliu town, Kaifeng county. The seminar was attended by party secretaries from five levels, namely: Province, city, county, town, and village. The participants discussed major plans to reduce peasant burdens.

At the meeting, Li Changchun underlined four issues:

One. It is necessary to understand fully the importance of the work to reduce the peasant burdens. Leaders at all levels should firmly seize this undertaking with a profound feelings for the peasant brothers. The reduction of peasant burdens is an important link to the effort to improve party-mass relations as well as cadre-people relations. We should overcome difficult situations and bureaucratic work styles, and resolve to achieve a breakthrough in resolving the question of peasant burdens.

Two. It is necessary to realistically do a good job in inspecting work to reduce peasant burdens by clarifying the issues thoroughly, discussing the subjects, and uncovering causes. It is necessary to clear up accounts, and do a good job in changing charters and rebuilding systems. Unjust regulations should be abolished. All kinds of non-production targets relating to livelihood problems should be lifted.

Three. It is necessary to speed up the pace of developing a collective village economy. This is the fundamental solution to ways to reduce peasant burdens. The system of joint venture funds and cooperative shareholding should be promoted forcefully.

Four. It is necessary to endeavor to raise leadership standards and improve work methods. Leaders at all levels should earnestly study well the party's lines, guidelines, and policies, and enhance the level of their policy understanding and the concept of the legal system. [passage omitted]

Henan Secretary on Enterprise Rules, Regulations

HK1602004593 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 11 Feb 93

[Excerpt] Yesterday [11 February] afternoon, the provincial CPC Committee and government held a provincial meeting which was relayed live by radio and television to further mobilize the entire province to conscientiously enforce the Rules and Regulations of the State Council on Transforming Operational Mechanisms of Industrial Enterprises Under Ownership by the Whole People, as well as the procedures formulated by our province for enforcing these rules and regulations.

Provincial party, government, and military leaders who attended the meeting included Li Changchun, Ma Zhongchen, Wu Jichuan, Wu Guangxian, Zheng Zengmao, Hu Tiyan, Ji Hanxing, Qin Kcai, Fan Qinchun, (Xu Pengyu), Liu Yujie, and Wu Shouquan. Provincial party Secretary Li Changchun and Acting Governor Ma Zhongchen made important speeches at the meeting. Li Changchun's speech primarily focused on the following three points:

1. We must have a sense of urgency and responsibility for the enforcement of the rules and regulations and the implementation of the decision and procedures of the provincial CPC Committee and government. He said: Last year, our province's economic construction, reform, and opening up entered a new stage of development. The position of our province's comprehensive economic strength in the country has been slightly enhanced. It is appropriate to say that last year was a year in which the broad masses of cadres and people in our province vigorously emancipated their minds and changed their concepts. It was a year in which we made a breakthrough in reform and opening up. It was a year in which our province's economy developed at a high speed. We should realize, however, that the situation of the whole country is developing very rapidly and that, compared with advanced coastal provinces and cities, we still lag far behind in terms of speed and momentum of development.

State-owned enterprises, particularly medium and large enterprises, are facing not only the challenge of re-entering GATT but that of increasingly tense market competition as well. If we fail to speed up the pace of reform and opening up or devote our main efforts to transforming the operational mechanisms of enterprises and invigorating these enterprises, it will be impossible for us to maintain the present momentum of development. It is difficult for us to attain our strategic objective of boosting our economy at a level of speed and efficiency which is slightly higher than the average national level while reducing our population growth rate to a level

slightly lower than the national average. CPC Committees and governments must firmly foster a guiding ideology of seizing the favorable opportunity and speeding up development to further promote reform and opening up to push enterprises to the market, so that our economic construction and various undertakings can develop in a still faster and better way. We must fulfill our target of striving to push our economy to new heights as quickly as possible.

2. Enforcement of the rules and regulations and implementation of the procedures must be institutionalized, and we must work in a down-to-earth manner in this regard. Li Changchun pointed out: Enforcement of the rules and regulations and implementation of the procedures is an important type of reform which involves several aspects. Whenever it touches a sector, reform must be carried out there. It works in coordination with and mutually promotes the drive of transforming the operational mechanisms of enterprises, changing government functions, establishing and developing market [words indistinct], perfecting the social insurance system, and so on. It helps us accelerate the establishment of the socialist market economic system.

CPC committees and governments at all levels must regard the enforcement of the rules and regulations and the implementation of the procedures as the number one project in the present drive of reform and opening up. They must concentrate their main efforts on this project and must grasp it firmly and effectively. Responsible comrades of the functional departments of the government, law-enforcement and supervisory departments, and managers of enterprises must be familiar with, abide by, and master the rules and regulations, and must genuinely perform their tasks according to the rules and regulation and the procedures.

3. Party organizations at all levels must become a staunch leadership core for deepening reform, and expanding opening up. Li Changchun said: CPC committees at all levels must stand on the forefront of reform, must work in close coordination with governments at all levels, and must truly undertake the heavy responsibility of leading reform. They must boldly use, support, and protect reformists. They must resolutely refute any reproach or censure against the reformists. Regarding cases of taking revenge on and bringing false charges against reformists, it is necessary to resolutely take action to investigate and punish the relevant persons.

Li Changchun continued: Party organizations in enterprises must play their role as political nuclei and fighting bastions. It is necessary to strengthen the building of our party organizations amid reforms. The party, government, trade unions, and Communist Youth League must work in closed coordination to actively lead cadres and workers to study and enforce well the rules and regulations and implement the procedures. It is necessary for them to perform thoroughgoing and painstaking ideological and political work properly, so that the broad masses

of workers and staff members can understand, support, and participate in reform and become the main force of reform.

Li Changchun called on the broad masses of party members, cadres, and people of the entire province to profoundly study and implement the spirit of the 14th CPC National Congress in the new year and hold high the banner of uniting as one, advancing courageously, and invigorating Henan to make persistent efforts to strive for new and still greater achievements. [passage omitted]

Henan Acting Governor Signs Decree on Enterprises

HK1402083893 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 10 Feb 93

[Text] Yesterday [10 February], provincial Acting Governor Ma Zhongchen signed and issued Decree No. 1 of the Henan Provincial People's Government which provided the procedures for implementation of the [State Council] regulation for transforming the operational mechanisms of industrial enterprises under ownership by the whole people in Henan Province.

The procedures, outlined in nine chapters and 64 articles, lay down clear stipulations regarding the management authorities of enterprises; forms and methods of asset management; the labor, personnel, and distribution systems of enterprises; enterprise accountability for profits and losses; creation and termination of enterprises; the legal obligations of enterprises; and the fundamental aspects of changing operational mechanisms. They provide highly specific targets for regulation, as well as rendering it highly feasible and workable for the purpose of further explanation and elaboration it. It is a programmatic document which is extremely important to our province's efforts to accelerate reform and opening up and to establish a socialist market economic system.

The procedures were examined and adopted at a Standing Committee meeting of the provincial government.

Hubei Appoints Jia Zhijie Acting Governor

HK1702035293 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 14 Feb 93

[Excerpts] Yesterday afternoon, the 32d meeting of the Seventh Hubei Provincial People's Congress Standing Committee ended in Wuchang. The meeting decided to accept Comrade Guo Shuyan's resignation as provincial governor, and appointed Comrade Jia Zhijie provincial vice governor and acting provincial governor.

The meeting was presided over by Tian Ying, vice chairman of the Hubei Provincial People's Congress Standing Committee. The meeting decided that the First Session of the Eighth Hubei Provincial People's Congress is to be held in mid or late April. [passage omitted]

Those who attended the meeting included vice chairmen of the Hubei Provincial People's Congress Standing Committee Shi Chuan, Wang Hanzhang, Wang Zhizhuo, Wang Ruisheng, Li Haizhong, Huang Zhengxia, Liang Shufen, Wang Libin, Xiao Quantao, and Xie Peidong, and (Ma Shanghui), secretary general of the Standing Committee. [passage omitted]

Hunan Commentary Views Regular, Sideline Jobs

HK1702050693 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 12 Feb 93

[Text] When state workers take up a sideline job, it is good for the country, the people, and themselves. However, it is worthy of attention that nowadays people pay more attention to their sideline jobs than their regular jobs. As far as state workers are concerned, it is self-evident whether their regular jobs should come before their sideline jobs. However, some comrades have reversed the order by giving priority to their sideline jobs rather than their regular jobs. In this way, they consider their office hours time of rest, during which they drift along and save their energies. When they go off duty, they spend their full energies on their sideline jobs without sparing any effort, as if they were tireless. Some even simply spend their work hours and energies on their sideline jobs. They make phone calls to inquire about relevant business information, make private business deals, and compare notes on their operations and ways of making money with one another. Some people, who are unseen during work hours, return to their places of work barely before they are supposed to finish. Most of them sneak out and do their sideline jobs during work hours. Moreover, it is not uncommon that many ask for leave to find sideline jobs while they neither really need it nor are sick. The incorrect order of priority regarding the regular job and the sideline job arises from the perspective of one's awareness and more from the structural perspective and the management perspective. I think that in order for people to properly handle the relationship between the regular job and the sideline job with a view to placing them in the right places, we should implement necessary reforms in the structure and management mechanisms as well as strengthening education in thinking.

Southwest Region

Guizhou Leaders Address Economic Work Meeting

HK1202122793 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 10 Feb 93

[Text] A provincial meeting of party secretaries of prefectures, autonomous prefectures, and cities and of prefecture heads and city mayors opened in Guiyang yesterday [10 February]. This meeting primarily sought to study and implement the spirit of central documents, analyze profoundly the current situation in the province, map out and plan this year's provincial undertakings, and further mobilize as well as unite people of all nationalities so that they can emancipate their minds,

seek truth from facts, and accelerate the pace of reform, opening up, and modernization in our province.

Yesterday morning's meeting was presided over by provincial party Deputy Secretary Wang Chaowen, while provincial party Deputy Secretary Long Ziyi outlined the principal work for 1993 as defined at the meeting of the Standing Committee of the Political Bureau of the CPC Central Committee. Provincial party Secretary Liu Zhengwei and Governor Chen Sineng both delivered important speeches. Provincial Advisory Commission Chairman Su Gang, provincial deputy party secretaries Liang Mingde and Wang Siqi, and other leaders also attended the meeting.

In his speech, Liu Zhengwei proposed: The basic task and guiding ideology of our province's work for this year is as follows: Guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and unswervingly upholding the party's basic line of one center and two basic points, to actively, comprehensively, and correctly implement the spirit of the 14th party congress and further implement concretely the spirit of the Eighth Enlarged Plenary Session of the Sixth Provincial Party Committee as well as the government work report adopted by the First Session of the Eighth Provincial People's Congress. Carry out two types of work simultaneously and be firm in both areas. While doing a good job in economic work, continue to exert efforts to do a good job in party building and in the building of spiritual civilization, and continue to struggle to accelerate the pace of reform, opening up, and modernization in our province.

Liu Zhengwei said: To accomplish the various tasks for this year, the crucial thing is to emancipate the mind, seek truth from facts, unite to forge ahead, and carry out solid work. It is necessary to foster the spirit of daring to move forward, take chances, experiment closely in line with the establishment of a socialist market economic system, and engage in bold innovation. It is necessary to realistically put agriculture ahead of all economic work and use all means to ensure steady production and higher output. It is imperative to vigorously promote superior industries, speed up infrastructure construction, and promote the steady and sustained growth of the province's economy. With a view to promoting the establishment of a socialist market economic system, we must speed up the pace of reform and opening up. The central task in reform this year remains the vigorous promotion of reform in state-owned enterprise, particularly large and medium enterprises. The key point is to grasp the implementation of regulations on changing the operational mechanisms of enterprises firmly and fully put into effect enterprises' decisionmaking powers over operational matters. It is necessary to grasp the two kinds of production simultaneously and ensure the completion of family planning objectives. Guided by the theory on building socialism with Chinese characteristics, we must fully promote ideological and cultural building. It is also necessary to strengthen comprehensively the building of democracy and of the system and

insist on safeguarding social stability and excellent order. Rallying closely around the central task of economic construction, we must realistically bolster the building of the party and ensure the full and comprehensive implementation of the party's basic line.

Meanwhile, in his speech at the meeting, Governor Chen Sineng analyzed the current economic situation in our province and stressed that governments at all levels should strengthen their service functions and endeavor to complete this year's national economic plan. It is necessary to continue to develop different kinds of economic sectors, actively do a good job with price reform, bolster and improve macroeconomic control and regulation, speed up the reform of the labor and wage system and of the social insurance system, and promote the reform of the housing system and of the land use system. Reform of county organs should also be accelerated. For counties already carrying out experimental reforms, it is necessary to firmly grasp the exposition and verification of reform plans and strive to organize their institution in the first quarter of this year.

In his speech, Chen Sineng also put forward concrete views on strengthening and improving government work.

Sichuan People's Congress Elections Reported

HK1202103193 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 9 Feb 93

[Text] The First Session of the Eighth Sichuan Provincial People's Congress held its fifth plenary meeting yesterday morning [9 February], during which it elected the leading members of the Standing Committee of the eighth provincial people's congress, provincial people's government, provincial higher people's court, and provincial people's procuratorate. Yang Xizong was elected chairman of the Standing Committee of the provincial people's congress, while Xiao Yang was elected provincial governor.

A total of 946 deputies attended yesterday's meeting, which constituted a quorum. The meeting was presided over by Chairman Xie Shijie. Through secret ballots, the deputies elected the leading members of the standing committee of the provincial people's congress, provincial government, provincial higher people's court, and provincial people's procuratorate.

Ten comrades were elected vice chairmen of the Standing Committee of the provincial people's congress, namely: Song Dafan; Kang Zhenhuang; Luo Tongda, Tibetan nationality; Rao Yongyu, female; Ren Lingyun; Wei Siqi; Wang Shuyun; Sun Ziqiang, Yi nationality; (Meng Jinxiu); and (Xu Shangzhi).

Meanwhile, eight comrades were elected vice governors of the provincial people's government, namely: Pu Haiqing; Ma Lin; Diao Jinxiang; Xu Shiqun; (Zhang Zhongwei); (Li Meng); (Ou Zegao), Tibetan nationality; and (Gan Yuping).

In addition, Li Yulong was elected president of the provincial higher people's court. The election of Gong Dulun as chief procurator of the provincial people's procuratorate has been submitted by the procurator general of the Supreme People's Procuratorate for approval by the Standing Committee of the National People's Congress.

New Sichuan Governor Speaks on Development

HK1602010293 Beijing ZHONGGUO XINWEN SHE
in Chinese 1330 GMT 9 Feb 93

[By reporter Xiao Longlian (5816 7893 5114)]

[Text] Chengdu, 9 Feb (ZHONGGUO XINWEN SHE)—Xiao Yang, the new Sichuan governor elected by the overwhelming majority of 888 votes at the First Session of the Eighth Sichuan Provincial People's Congress, held this morning, is a figure in the limelight at home and overseas. When the result of the balloting was announced, applause broke out and lasted for a long while.

Surrounded by reporters, Xiao Yang answered their string of questions while walking along, all smiles.

"Governor Xiao, what do you think of the number of votes—888?"

"Personally, I do not like that number very much. In Chongqing's air crash on 18 January 1988, the Il-18 caused a death toll of 108, and the figure eight occurred all too frequently in that accident, wasn't it true?" Xiao Yang, in his quick reaction, answered with a sense of humor.

"Governor Xiao, the 888 votes you've got are actually homonymous to a happy omen that promises a fortune to your honorable self and our Sichuan. Could you tell us your reaction at the very moment the ballot's result was announced?"

"I don't think I'll make a fortune myself, and I only want to do some substantial work for the people. This figure 888 is the happiness shared by 110 million people; I wish prosperity to all Sichuan people."

In late November last year, Xiao Yang came to Chengdu from Chongqing to be in charge of the government of Sichuan, this large province with a population of 110 million. Over the past few months, he has all along explored the strategy for Sichuan's economic development.

On a spring evening a few days back, this reporter visited Xiao Yang in his makeshift home for a long interview in the late evening.

"I'm sorry to have kept you waiting." It was 2200 when he got home from a meeting of the people's congress. Taking off his overcoat, he showed us into his bedroom, saying: "It's getting late, let's talk inside the room, and it's warmer here."

In that simple and crude bungalow of a military guest house, Xiao Yang started his "friendly chat" in answering the reporters' questions.

"We just want to try to bring credit to Sichuan, quicken the pace in opening up to make Sichuan's work come up, and do a good job of building Deng Xiaoping's hometown." Xiao Yang expressed his determination to run the government in a simple, steady, and resolute tone. On the strategy for economic development in the next five years, Xiao Yang stressed the need to develop regional and river-valley economies with the support of the two key cities Chengdu and Chongqing. He said: We should shape the Three-Gorges Economic Zone with Chongqing as the locomotive by grasping Chongqing's advantages as a key city. Presently, Chongqing's output value of cars and motorcycles is already 8 billion yuan, and we will strive for 20 billion yuan by 1995; at the same time, Chongqing will combine with various prefectures and cities in Chuandong [eastern Sichuan] in developing car, motorcycle, metallurgical, oil, and chemical industries, and work hard to pursue large-scale oil refinery work so that eastern Sichuan will boast several pillar industries. In the Chuannan [southern Sichuan] Economic Zone, the exploitation of resources in Pangxi, southern Sichuan will be the locomotive; Pangxi Iron and Steel Company's advantages will be utilized to develop iron and steel as well as the vanadium and titanium industry. The Chuanxi [western Sichuan] Economic Zone will take Chengdu as the locomotive to develop such key industries as electronics and machine-building by linking with such prefectures and cities as Deyang and Mianyang. The Chuanxi Plateau Nationality Region will take forestry and grasslands as the locomotive, while linking with Garze and Aba Zang Autonomous Prefectures.

"Shortage in funds is a major difficulty for us in Sichuan's economic development; therefore, we must grasp "national banknotes" (renminbi) on the one hand, and "foreign banknotes" (foreign funds) on the other to quicken the pace in opening up to the world and import foreign funds with great efforts." Xiao Yang, who is a senior CPC official, has lots of friends overseas, a great advantage. With the joint efforts of noted public figures overseas and celebrities in Beijing, the Association for Promoting Culture of the Chinese Nation was founded on 29 March 1992; as one of its initiators, Xiao Yang was elected the association's vice chairman.

On the import of foreign funds, Xiao Yang disclosed to the reporters that he was negotiating with friends from the Thai Bank of Bangkok and planned to allow the setting up of foreign banks' branches in Sichuan to collect foreign funds to mend the shortage in funds. Hong Kong's magnate K.S. Lee and Taiwan's Wang Yung-ching Group have made several contacts with him to express their will to make huge investments in Sichuan and negotiations in specific projects were under way. Gladly, Xiao Yang told the reporters that with the completion of the factory producing telephone

exchanges with a capacity of 1 million digitally controlled lines, whose contract, involving an investment of \$300 million, was initialed on 5 February, it would become Sichuan's, and even China's, most advanced equipment for telecommunications.

"We must be sincere with friends overseas. During the 14th party congress last year, a Mr. Hsiang from Hong Kong film and television circles sought my help; I did my best to render him service, although I was in the middle of the session. When someone believes that you are a true friend, he will come to make investment. A few days later, Mr. Hsiang comes to Sichuan to talk about things concerning investment. Why should we be unhappy about making friends with those who are willing to provide help for Sichuan's economic development?"

It was past midnight when we said goodbye to the governor. The reporters expressed their regret for taking up much of his time. Xiao Yang, who had had a busy day, saw the reporters to the door without a sign of tiredness. He said: This is to show some of my friendliness!

Activities, Remarks of Sichuan Secretary Noted

Talks With Congress Delegates

HK1202141193 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 7 Feb 93

[Text] Taking part in the Leshan city delegation's group discussion at the first session of the eighth provincial people's congress on 4 February, provincial CPC secretary Yang Rudai said: Last year, Sichuan province developed very well and very quickly. It is necessary to maintain and develop these good trends, which have not come easily.

As for the question of how to maintain the current good development trend, Yang Rudai maintained: First, it is necessary to arm the thinking of the entire CPC, including all the cadres, with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. In order to stick to [words indistinct], it is first necessary to understand the general principles and experiences of the CPC Central Committee, after which it becomes necessary to grasp the actual situation of the grass roots and conscientiously make efforts on the basis of the integration of these two.

Second, it is necessary to conscientiously study, have a deep understanding of, and thoroughly implement the spirit of the 14th CPC National Congress as well as stick to the principle of doing two types of work simultaneously and attaching equal importance to both.

Third, it is necessary to conscientiously attach importance to work for the year, face our difficulties head-on, and take practical and effective steps to overcome them. This year, it is necessary to attach special importance to four jobs: 1) To stabilize the foundation of agriculture and conscientiously attach importance to and strengthen the leadership of agricultural and rural work. 2) To

strengthen infrastructure and adopt policies and methods that are conducive to the development of communications, telecommunications, and the energy industry, further promoting the province's opening and development. 3) To quicken the change of [words indistinct] with an emphasis on the transformation of operational mechanisms of enterprises and the transformation of the government's economic management functions. 4) To invite more businesses and attract more capital.

Fourth, it is necessary to establish and improve the socialist market economic system. Yang Rudai stressed: With practice over the past few years, the strategy and basic path for the development of Sichuan is getting clearer and clearer. That is to say, [words indistinct], attach importance to the two counties and the two prefectures [words indistinct], thus enabling the province's economy to scale a new height [words indistinct]. Moreover, it is necessary to pay very good attention to the economic development of hilly areas, old liberated areas, ethnic minority areas, and remote border areas. In light of a summary of the province's experiences in economic development over the years, it is surely necessary to have a long-term perspective and base ourselves in the present and ensure that these basic ideas [words indistinct] be implemented and reflected in all jobs [words indistinct].

Visits CPPCC Delegates

HK1202140693 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 8 Feb 93

[Text] Accompanied by Zhang Tinghan, head of the provincial party committee's united front work department, provincial party Secretary Yang Rudai arrived at the Jinrong Guesthouse yesterday [8 February], where he visited members of the various provincial democratic parties, the Federation of Industry and Commerce, non-party personages, the Federation of Taiwan Compatriots, the Federation of Returned Overseas Chinese, the Chinese People's Association for Friendship With Foreign Countries, trade unions, and literary and art circles who are attending the first session of the seventh Chinese People's Political Consultative Conference [CPPCC] provincial committee.

On behalf of the provincial party committee and people of all nationalities in the province, Yang Rudai expressed his sincere gratitude to the various democratic parties, mass organizations, and nonparty personages for their efforts and contributions to the development of all undertakings in Sichuan.

In his speech, he said: The system of multiparty cooperation under the party's leadership constitutes the basic political system in our country. In order to carry out long term cooperation, it is necessary to display sincerity and tolerance. All democratic parties and mass organizations have accumulated a multitude of experiences and fine traditions in the course of their lengthy cooperation with our party. In the course of replacing the old with new and the transfer of office, the fine traditions should be continued. Under the

new situation, all democratic parties and mass organizations should display their respective strengths, sum up new experiences, provide more ideas and suggestions and make more contributions to the cause of accelerating the province's reform and opening up as well as its economic and social development.

The members all indicated that they will strive for the development of Sichuan's various economic and social endeavors by upholding and perfecting the system of multiparty cooperation under the party's leadership.

Financial Work Conference Opens in Lhasa

OW1302130393 Lhasa Tibet Television Network in Mandarin 1200 GMT 6 Feb 93

[From the "Tibet News" program]

[Text] A regional financial work conference was held in Lhasa on 6 February. The meeting will take guidelines of the 14th CPC Congress and the Fourth Enlarged Plenary Session of the Fourth Tibetan Autonomous Regional Party Committee as the guiding ideology; aim at wholeheartedly serving Tibet's market economy; focus on strengthening financial management, expanding financial business, and improving the efficiency in using capital; and study new measures for Tibet's financial work to create a good financial environment for stepping up the development of a socialist market economy in Tibet. Attending the conference were Zeren Sangzhu, vice chairman of the autonomous regional government, and responsible comrades from branches of the People's Bank of China in various prefectures, cities, and counties; specialized banks; insurance companies; and relevant departments in the autonomous region.

The economy was stable and kept a sound upward trend in Tibet last year. As of the end of 1992, the region's amount of various kinds of deposits totaled 2.905 billion yuan; loans, 2.084 billion yuan; money income, 1.788 billion yuan; cash disbursements, 2.526 billion yuan; net money supply, 738 million yuan; and foreign exchange turnover, \$44 million. The People's Bank of China, the Bank of Construction, and the Trust and Investment Corporation have made new progress in business. The premium income of insurance companies amounted to 9.4 million yuan. Having conscientiously absorbed deposits from the stock market, various banks and credit cooperatives in the region attached importance to absorbing deposits from enterprises, institutions, organs, and units last year and fulfilled 99.7 percent of the deposits target set at the beginning of last year. This has offered an ample source of credit funds for the development of a commodity economy in Tibet.

To ensure the funds for the infrastructure construction in the Lhasa Small Light Industrial District, the regional branch of the People's Bank of China obtained approval from its headquarters in time to issue a special loan of 70 million yuan. Banks at various levels, especially credit cooperatives in agricultural and pastoral areas, continued to give preferential agricultural loans for the

production of agriculture and animal husbandry, and increased investments in the production of agriculture and animal husbandry and in the development of village and town enterprises. By the end of 1992, the proportion of loans issued by these banks for production to various kinds of loans in agricultural and pastoral areas rose by 12 percent points over the previous year. These banks also accumulatively granted 51.89 million yuan in loans to commercial, transport, and service sectors as well as loaned 17.56 million yuan to village and town enterprises. Meanwhile, various banks and credit cooperatives have launched an extensive anti-poverty campaign, which emphasizes aid to selected units at three levels and guarantees aid to households at the poorest level. They have offered 9.63 million yuan in loans to support 1,618 poor households, set up a preliminary anti-poverty network throughout the region, and have achieved better economic returns.

The region took new measures in the management of foreign exchange last year. It had a total foreign exchange receipt and disbursement of \$27.82 million and \$48.19 million, respectively, and still had a balance of \$16.5 million. The banks in the region also invested a total of 23 million yuan in the construction of fixed assets of primary-level branches and offices last year and preliminarily improved offices, housing, and vehicles of 21 branches and offices. The widely-conducted activities to educate, screen, and rectify the banking sector in the region have received marked achievements, improved the quality of the work force to some extent, enhanced employees' concept of banking service, and effectively ensured that financial work serve Tibet's reform, opening up, and development of a socialist market economy.

Tibet Banking Work Conference Concludes

OW1502020193 Lhasa Tibet Television Network in Mandarin 1200 GMT 12 Feb 93

[From the "Tibet News" program]

[Text] The seven-day regional banking work conference came to a successful close in Lhasa on the afternoon of 12 February. The regional conference provided those attending with the guidelines of the National Conference of Branch Office Directors of Banks and the enlarged plenary meeting of the Fourth Tibet Autonomous Regional CPC Committee. It reviewed and summed up last year's banking business and discussed and arranged this year's work and reform of the banking system. It has further emancipated the minds of those attending, enhanced their vigor, and pointed out to them the priorities and objectives of work. It will yield positive results in accelerating and furthering banking reform and promoting the development of a market economy in the interests of the region.

Present at the closing session were Puquang, vice chairman of the autonomous regional people's congress

Standing Committee, and Laba Pingcuo and Zeren Sangzhu, vice chairmen of the autonomous regional people's government.

Vice Chairman Zeren Sangzhu delivered a speech. Briefing the conference on the economic situation in Tibet in 1992, he said: The region achieved steady economic growth, strengthened its overall strength, made further progress in social undertakings, and continued to improve the people's livelihood.

On the region's banking work this year, Zeren Sangzhu emphatically pointed out: We should unite our understanding, lay down a clear and definite guiding principle that banking work should serve Tibet's development of a market economy, and seriously adhere to it. First, we should understand the urgency of developing a market economy in Tibet. We acknowledge our backwardness, but we are not reconciled to it. We should free ourselves from the backwardness as soon as possible and catch up with those more advanced. With such an arduous task, the banking department has a very heavy and yet very glorious burden on its shoulders. I hope that the banking department and its vast number of cadres and workers will regard the rejuvenation of Tibet as their duty, enhance their sense of urgency and responsibility, and live up to the people's expectations. Next, we should have a unified understanding of the need to create a relaxed, long-term banking environment for our economic construction. As many difficulties remain in our economic development, it is necessary to continue implementing a series of special banking policies and measures to facilitate the development of a market economy. We should seriously make proper use of all credit funds. For a long time, banks have adopted a policy of preferential interest rates. Since the establishment of insurance companies, they have also adopted a low-premium policy. Both the banks and the insurance companies have made important contributions in support of Tibet's economic development, helping peasants and herdsmen achieve prosperity, and improving local financial conditions. They have clearly and definitely announced that these policies will continue this year. This is a very positive banking measure, considering the interests of the whole. The government is satisfied with it. However, the enterprises, with low-interest bank loans, must increase their economic returns, and all loans must yield economic benefits. So long as we use all credit funds properly, we will be able to accelerate the development of a market economy in this region. Such an objective cannot be attained by the banking department alone. The governments at all levels and the departments in charge of economic affairs, as well as enterprises, must attach great importance to banking work; actively support the work of the banking department; fully respect the decision-making power of the banking department; and make concerted efforts to develop the economy.

Puquang, vice chairman of the autonomous regional people's congress Standing Committee, also addressed the conference. (Ouzhu Langjie), deputy director of the

Tibet branch of the People's Bank, made a summing-up speech at the end of the closing session.

Tibet Autonomous Region Speeds Up Financial Reform

OW1702085393 Beijing XINHUA in English 0723 GMT 17 Feb 93

[Text] Lhasa, February 17 (XINHUA)—The Tibet Autonomous Region has adopted a series of measures to promote the development of a financial market.

The measures are aimed at establishing finance organizations and strengthening and improving foreign currency management.

Since the beginning of last year, the region has established four financial organizations and a financial joint conference system.

The regional government will set up a Tibetan financial market this year in Lhasa, the capital of Tibet.

Last year, the region began to relax controls on foreign currency in border trade, readjust the rates of exchange between renminbi and the currencies of neighbouring countries, simplify procedures in examining and approving the use of foreign currency and reform the management of foreign currency earned through tourism.

As a result, the total of foreign currency earned in the autonomous region reached about 28 million U.S. dollars last year, an increase of 46 percent compared with the previous year.

Tibet's recently-established foreign currency swap business has greatly promoted the development of the region's export-oriented economy.

According to the local government, Tibet will continue to carry out reform in the management of foreign currency.

State To Invest in Tibet's River Areas

OW1302063593 Beijing XINHUA Domestic Service in Chinese 0313 GMT 12 Feb 93

[By reporter Zhang Jimin (1728 4949 3046)]

[Text] Beijing, 12 Feb (XINHUA)—By the end of this century, the state and Tibet will have made a total investment of 2.1 billion yuan to accelerate comprehensive development of and construction in the central area of Yarlung Zangbo Jiang, Lhasa He and Nyang Qu He valleys, and to promote economic development in Tibet. These were remarks made by Doje Cedan, secretary general of the China Tibetan Science Research Center, at a symposium yesterday on opening up resources and promoting economic development in the "Yarlung Zangbo Jiang, Lhasa He and Nyang Qu He" area.

The meeting was jointly arranged by the China Qing Zang Gaoyuan Research Society, the Office for Developing Tibet's "Yarlung Zangbo Jiang and Lhasa He and Nyang Qu He," and the China Tibetan Science Research Center with a view to discussing and making a strategic plan to promote economic development in Tibet. It was learned that the comprehensive development of the central valleys of the "three rivers" area was listed as a key project in the state's "Eighth Five-Year Plan" and the 10-Year Program for National Economic and Social Development. The "three rivers" area is located in the south of Qin Zang Gaoyuan [Qinghai-Tibet highlands], connecting Nyingchi Prefecture to the east and Ngari Prefecture to the west. There are lakes and basins in the south and Gangdisi Shan and Nyainqen Tanglha Shan to the north of the area. It is principally an agricultural and pastoral area of Tibet and more than 95 percent of it is linked by highways.

Doje Cedan said: On the basis of summing up economic construction in Tibet over past decades, the Tibet Autonomous Regional CPC Committee and the Tibet Autonomous Regional People's Government have made an important strategic decision to develop the central valleys of the "three river" area in order to achieve a breakthrough and promote economic development in the whole of the autonomous region. In order to make the massive economic development project more scientific, departments concerned have sent a large number of science and technology personnel from Tibet and other localities to investigate the area. Based on their extensive investigation findings, they have made an analysis of environmental and resource characteristics, social and economic conditions, and the main limiting factors to development and construction work in the "three river area." The research personnel pointed out: In order to build Tibet into a base for producing commercial grain, livestock, vegetables and other supplementary food products; a base for light, textile and handicraft industries; and a base to demonstrate and promote science and technology by the end of this century or in early next century, the most important thing at present is to take advantage of the current good economic development and further expand reform and opening up.

At the symposium, scientific research personnel put forward very attractive strategic plans for developing the "three river" area. They said that if the development plans could be successfully carried out, the total industrial and agricultural output value of the development area could increase from 840 million yuan in 1990 to 1.724 billion yuan by the year 2000. The output of grain could grow from 350,000 metric tons in 1990 to 520,000 metric tons in 2000; the output of meat could increase from 14,500 metric tons to 34,300 metric tons; and the afforested area could increase from 2.4 percent to 3.2 percent. Meanwhile, people's per capita annual income would also be greatly increased.

At the symposium, science and technology personnel also studied and discussed development of the Niyang He [144] 3152 3109] valley. They said accelerated

development of the Niyang He valley would supplement the comprehensive development of the "three river" area and that concerned departments should attach equal importance to it.

Yunnan Party Chief Speaks on Market Building

*HK1602010893 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 11 Feb 93*

[Text] Speaking at a provincial meeting of directors of administration for industry and commerce yesterday, Yunnan party committee Secretary Pu Chaozhu pointed out: It is impossible to engage in market economy without a market. In a multi-ethnic, mountainous, and frontier province like Yunnan, the building and cultivation of markets is particularly important at the moment. A market can invigorate local economy and lead a number of people to prosperity. On the questions of developing individual industrial and commercial households, private enterprises, and foreign-funded enterprises, of supporting the growth of township and town enterprises, of organizing the entry of peasants into domain of circulation, and of supporting the entry of state-owned enterprises into the market, the departments on the administration of industry and commerce around the province should be bolder and should introduce even less restrictive policies as well as simpler procedures.

Pu Chaozhu added: In building Yunnan's markets, it is necessary to seek truth from facts, make the best of situations, carry out multilevel building and nurturing of markets, and lay down a foundation built on multilevel country fair trade market in order to build and nurture emphatically market systems in big and medium-sized cities, as well as in major communications points. In so doing, we will gradually build a big integrated socialist market which is suitable to the demands of great circulation both at home and abroad.

At the meeting, Vice Governor Li Shuji also spoke on ways in which departments in charge of administration of industry and commerce can further display their functions and roles in the course of accelerating market building and cultivation and other issues.

Stresses Role of Trade Unions

*HK1602010693 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 11 Feb 93*

[Text] Speaking at a seminar attended by delegates to the Third Plenary Session of the Seventh Provincial All-China Federation of Trade Unions yesterday afternoon, provincial party Secretary Pu Chaozhu pointed out: The trade unions should give full play to their role as the party's bridge and link in making contacts with the workers by promptly reporting to the party committees the thinking and moods of the workers, their political pulses, aspirations, and suggestions. Meanwhile, the working class should display its role as the main force in promoting the changing of the operational mechanisms

of enterprises, cultivating markets, and deepening the internal reform of enterprises. Trade unions at all levels should emancipate their minds and, through the development of tertiary industry, bolster their own economic strengths and open up a new situation in trade union-related work.

North Region

Chen Weigao Discusses Hebei Judicial Work

SK1302145093 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 12 Feb 93

[Text] The provincial judicial and administrative work conference ended in Shijiazhuang a few days ago. The conference participants pointed out: Judicial and administrative departments throughout the province should further enhance their senses of mission and responsibility, strengthen their work functions, and provide high-quality legal service and guarantees for pushing the provincial economy onto a new stage.

At the conclusion of the conference, provincial leading comrades Cheng Weigao, Lu Chuanzan, Li Bingliang, Yang Zejiang, Guo Zhi, and Ye Liansong visited the representatives of the participants in the conference.

Cheng Weigao, secretary of the provincial party committee and governor of the province, made an impromptu speech. He firmly affirmed the achievements made by the province's judicial and administrative organs in the past year and encouraged the organs to do their professional jobs in an even more positive and voluntary manner to make contributions to the province's reform and opening up as well as to modernization.

At this three-day conference, Lu Chuanzan, deputy secretary of the provincial party committee, and Song Shuhua, vice governor of the province, also made speeches. They expressed hope that judicial and administrative departments in the province would continuously emancipate their minds and change their thinking; would strengthen their senses of reform, market economy, and service; would positively participate in the activity of establishing the market economy by firmly centering on the goal of establishing the socialist market economy; and would use all legal means to provide legal services for changing the operational mechanism of large and medium-sized state-owned enterprises, for cultivating and perfecting the market system, for developing the tertiary industry, and for expanding the scale of opening. They also hoped that judicial and administrative departments would continue to spread the knowledge of laws among the people in a penetrating and realistic way by disseminating the specialized laws and the rules and regulations related to reform and opening, would administer the work of various trades according to laws, would strengthen their role in guaranteeing the enforcement of laws, would positively participate in the comprehensive administration over public security, and would play a key role in dealing blows to and preventing crimes and in educating, managing, and reforming criminals.

Inner Mongolian Official Shen Xinfu Dies

SK1302145293 Hohhot NEIMENGGU RIBAO in Chinese 19 Jan 93 p 2

[Excerpts] Comrade Shen Xinfu, an outstanding member of the CPC, a long-tested and loyal Communist fighter, and vice chairman of the Inner Mongolia Autonomous Regional Discipline Inspection Commission, died in Hohhot after all lifesaving efforts had proved ineffectual at 03:07 on 7 January this year at the age of 80.

Comrade Shen Xinfu was born in a poor farm household in Wanzai County of Jiangxi Province in November 1914. He entered the Red Guard in October 1928 and joined the First Front Army of the Chinese Workers' and Peasants' Red Army in May 1930. He joined the Chinese Communist Youth League in December 1930 and the CPC in February 1932. [passage omitted]

After the founding of the PRC, Comrade Shen Xinfu successively held the post of deputy secretary of the autonomous regional supervisory committee, the post of vice chairman of the autonomous regional people's committee, and the post of member of the autonomous regional party standing committee, and concurrently the post of vice chairman of the autonomous regional revolutionary committee, the post of vice chairman of the autonomous regional People's Congress Standing Committee, and the post of vice chairman of the autonomous regional Advisory Commission. He was elected deputy to the Sixth National People's Congress as well as to the second, third, fifth, sixth, and seventh autonomous regional People's Congresses. [passage omitted]

During his lifetime, Comrade Shen Xinfu upheld the truth and principles as well as the practice of seeking truth from facts. He boldly safeguarded the interests of the party and various nationalities, was honest and upright, was modest and prudent, was amiable and easy of approach, was prone to unite with comrades, conducted hard work and plain living, and was just and honest. He also was strict with himself, was generous to people, earnestly conducted criticism and self-criticism, and set strict demands for his children and educated them strictly. He resolutely supported the theory put forward by Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics, the important speeches given by Comrade Deng Xiaoping during his inspection tours in the south, and the spirit of the 14th CPC Congress. All his life was a revolutionary life and a life of serving the people wholeheartedly and striving to realize communism.

Nie Bichu Addresses Tianjin Scientists' Meeting

SK1602094893 Tianjin People's Radio in Mandarin 1000 GMT 15 Feb 93

[Text] On the morning of 15 February the municipal party committee and the municipal people's government held a ceremonious commendation meeting in the Tianjin Auditorium in honor of the 18 leading collectives advanced in respecting knowledge and talented

personnel and in having science and technology make industry and agriculture flourish. It also honored more than 1,800 scientific and technological workers who had made significant contributions. During the meeting, 154 middle-aged and young scientific and technological workers received the title of specialists, a certificate, a medal, and a bonus.

Nie Bichu, acting secretary of the municipal party committee and mayor of the municipality, delivered an important speech. On behalf of the municipal party committee and the municipal people's government he extended warm congratulations to the advanced collectives and individuals who had received awards. He pointed out: The municipal party committee and the municipal people's government have advanced the strategy of accelerating development this year and have defined the basic working principles of emancipating minds, relaxing restrictions in various fields, enlivening the economy, truly grasping economic development, doing practical deeds in development, and making a breakthrough in key projects. By enforcing the strategy of accelerating development, the scientific and technological circles are assuming a very important task; comrades on the scientific and technological front should fully discern the missions imposed on them by history, regard as their own duties the great cause of having science and technology make the municipality prosperous, and further make efforts to make new achievements in their work.

Tianjin Municipality Holds Court Work Conference

SK1202142693 Tianjin People's Radio in Mandarin
2300 GMT 11 Feb 93

[Text] The Tianjin Municipal court work conference was held at the (Dianhai) Guesthouse on 10 February. The conference participants urged: The people's courts at various levels across the municipality should make the judicial work suitable to the establishment of the socialist market economy, strive to upgrade the law enforcement level, and provide effective legal guarantees and service for the establishment of the socialist market economic system and the acceleration of the implementation of the development strategy.

Liu Jinfeng, Lu Xuezheng, Li Yuan, Lu Huansheng, and Xiao Yuan attended and addressed the conference. Wang Yongchen, president of the municipal higher people's court, delivered a work report entitled "Create a New Situation in the Court Work and Strive To Serve the Implementation of the Development Strategy."

On behalf of the municipal party committee, Lu Xuezheng made a speech. He said: Now, China is turning its economic system from the planned economy to the socialist market economy. Various reform measures will be worked out in succession. Increasingly more social relations should be readjusted according to the legal means. The judicial tasks for the people's courts are extremely heavy. The key to succeeding in the judicial

work under the new situation hinges on emancipating the mind and changing the ideas. First, we should further study and implement the guidelines of the 14th CPC Congress, and use the theory on building socialism with Chinese characteristics to arm the thinking of the judicial workers and to guide the judicial work. Second, we should organically unite the enforcement of laws with the criteria for being conducive to developing the socialist social productive forces, enhancing the overall national strength of the socialist country, and improving the people's livelihood. At the time of strictly enforcing the law, we should persist in these fundamental criteria and integrate them into the entire process of enforcing the law so as to make the judicial work serve the central work of the party. Third, we should persist in the Marxist viewpoint of seeking truth from facts, strictly enforce laws and policies, proceed from reality, and strive for the best social, legal, and economic effects.

Comrade Liu Jinfeng also made an important speech at the conference.

Report on Development of New Tianjin Bonded Zone

OW1202094393 Beijing XINHUA Domestic Service in Chinese 2110 GMT 7 Feb 93

[By reporter Li Jianchang (2698 1696 2490)]

[Text] Tianjin, 7 Feb (XINHUA)—Since the beginning of 1993, Chinese and foreign firms have been moving into the bonded zone in Tianjin harbor district and investment there keeps rising. In January, nearly 100 enterprises, with an investment totalling nearly \$70 million, obtained approval to enter the bonded zone. Of the more than 800 Chinese and foreign enterprises which have obtained approval to enter the zone, more than 100 have started business, and more than 3 million yuan has been collected in tax. Among the 12 bonded zones in China, the Tianjin bonded zone ranks first in the number of approved enterprises, the number of enterprises in operation, and revenue collected.

The Tianjin harbor bonded zone attracted the attention of Chinese and foreign firms as soon as it was established. The initial area of 1.2 square km was completely reserved in less than one year. In 1992, the Special Economic Zones Office of the State Council approved the expansion of the Tianjin bonded zone to 5.1 square km. At present, it has absorbed \$770 million in investment.

The Tianjin bonded zone has taken full advantage of its favorable location in the harbor district. From the very beginning, it has taken a development orientation of considering the tertiary industry, including trade, as its main business on the basis of large commodity circulation. Its infrastructural construction and invitation to investors began at the same time. Early this year, the Tianjin zone decided to raise 400 million yuan to accelerate infrastructural construction. At the same time, it has maintained high working efficiency in approving

project applications, "ensuring a reply from one department with one official stamp in one day."

According to the management committee of the bonded zone, the construction of seven office building, each 18-40 stories high, will start this year and more than 100 enterprises which have bought land have begun to prepare for construction. While improving water and electricity supply and telecommunications facilities in the bonded zone, a beltway—an extension of the Beijing-Tianjin-Tanggu Expressway—will be built over the bonded zone. In addition, efforts will be made to accelerate the construction of the Beigangchi international passenger terminal and a ferry landing in Tianjin harbor. The Shenyang-Dalian Expressway will be linked to the Beijing-Tianjin-Tanggu Expressway via a ferry service.

At present, the Tianjin harbor bonded zone handles several hundred million U.S. dollars worth of cargo. Some international trade cargo has been moved from Hong Kong to Tianjin for transshipment. The British Hosme [name as received] Company and U.S. Baite [name as received] Company have moved their warehouses from Hong Kong to the Tianjin bonded zone.

Foreign-Funded Firms Open in Tianjin Zone

OW1602092593 Beijing XINHUA in English 0839
GMT 16 Feb 93

[Text] Tianjin, February 16 (XINHUA)—In the first month of this year, another 50-odd overseas funded companies were set up in the development zone of north China's Tianjin Municipality, with an investment of nearly 100 million U.S. dollars.

Among the 50-plus new firms, two have investments surpassing 10 million U.S. dollars each. So far, the number of foreign funded companies with capital exceeding 10 million U.S. dollars in the zone has reached 29.

Over the past few years, the development zone in this port city has made great efforts to improve the investment climate so as to lure more foreign investors.

By the end of last year, 800 foreign funded companies were established in the zone with a contracted investment of some 1.3 billion U.S. dollars. Of them, 267 have been operational.

This year, the zone will further simplify the procedure for approving overseas funded.

Northeast Region

Sun Weiben Addresses Propaganda Officials Meeting

SK1502082593 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 13 Feb 93

[Text] Sun Weiben, secretary of the provincial party committee, delivered a speech at the provincial meeting

of directors of propaganda departments and at the concurrent forum of overseas propaganda work, which simultaneously concluded on 13 February. He said in his speech: Great attention should be paid to the propaganda and ideological work conducted under the historic conditions of turning the economy into the market one and to providing strong spiritual motive forces, intellectual support, and ideological guarantee, for improving the province's economy to a new level.

During the provincial meeting and the concurrent forum, the spirit of the national conference of directors of propaganda departments across the country and the spirit of the national forum on the overseas propaganda work were relayed. The participating directors discussed the issue of how to successfully conduct the propaganda and ideological work under the conditions of turning the economy into the market one and defined the following four focal points for the propaganda and ideological work this year: A good job should be emphatically done in arming the entire party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Efforts should be made to concentrate efforts on actively preparing the public for the province's programs of reform and opening up and of improving the economy to a new level. Efforts should be made to seize the favorable opportunity and to select the principle of having the efficiency replace the malpractice so as to vigorously and successfully conduct the propaganda of public opinions for the province's exposure at home and abroad. Efforts should be made to create a good environment and to provide motive forces for implementing the major and important policy decisions made by the provincial party committee and the provincial people's government and for scoring good results in them by making full use of various mass media.

Sun Weiben point out in his speech: In conducting the propaganda and ideological work, we should clearly discern our own position and role in the work conducted during the new historic period and define the main subject and orientation of the work. Having our work be subordinate to or serve the center of economic construction during the new historic period represents a fundamental guiding principle that must be upheld in the propaganda and ideological work. Departments in charge of the propaganda and ideological work should firmly grasp the center. In conducting the propaganda and ideological work, we should broaden our field of vision and expand our working scope. Our methods of how to grasp the propaganda and ideological work and our selections for the main contents of the work will never exceed what is proper or be excessive as long as which are favorable for emancipating the productive forces, favorable for deepening or expanding the reform and opening up, and favorable for improving the economy to a new level. In particular, a good job should be done in grasping the overseas propaganda work to upgrade the province's exposure. Meanwhile, we should establish the operation mechanism of propaganda and

ideological work, which is suitable to the market economic systems, and concentrate our efforts on upgrading the work's quality and scoring good results in it.

Yang Guanghong, member of the provincial party Standing Committee and director of the propaganda department, presided over the meeting. Also addressing the meeting were Zhou Wenhua, chairman of the provincial Chinese People's Political Consultative Conference committee; Shan Rongfan, deputy secretary of the provincial party committee; and Zhou Tienong, vice governor of the province.

Heilongjiang Issues Road Transport Regulations

SK1502082793 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 13 Feb 93

[Text] The provincial communications department recently issued a certain number of regulations and rules on accelerating the development of road transportation. These regulations and rules have put forward clear demands for further relaxing the restrictions on road transportation markets, establishing the operation mechanism of road transportation markets, shifting the function, and for improving the management of transportation trade. They have also set forth some provisions more suitable to the development of the market economy for passenger and goods transportations, auto repair, and border port transportation. Various social circles are allowed to invest their money in establishing the business of passenger and goods transportations and building auto checking and repairing stations. All business and stations can be owned and operated by the builders who can also enjoy the profits earned from them. Units and individuals outside or within the province are allowed to build transportation and storage facilities among border ports by investing their money, conducting joint venture, and buying the stocks of projects.

Jilin Reports Labor Affairs Reform Measures

SK1502082493 Changchun Jilin People's Radio
Network in Mandarin 2300 GMT 14 Feb 93

[Text] Our province will further emancipate its minds and deepen the reform in the work of labor affairs this year and actively formulate or foster the systems of labor affairs legislation as well as of labor affairs supervision and inspection, the systems of conducting macro readjustment and control over labor affairs and wages, the systems of labor markets, the systems of holding training classes on vocational technologies, and the systems of social insurance.

In the field of employment, enterprises may follow the state and the provincial regulations and rules concerned to fix the date of employment independently and to fix their style and quota of employment independently.

In the distribution of wages, enterprises may conduct their distributions and arrangements independently. The

provincial authorities will be no longer to assign the mandatory quota of staff members and workers to various localities and to assign the planned targets of wages bill. Our province should emphatically do a good job in 1993 in establishing labor markets among the four cities of Changchun, Jilin, Meihokou, and Hunchun. It should establish some specialized labor markets among some central cities, such as the markets of carpenters, tilers, manpower, and salesmen.

Our province will enforce in an overall way the contracting system among all labor forces and widely open various job avenues to stabilize the employment situation. By making full use of the development of privately-owned, foreign-funded, and individual-run enterprises as well as of labor migration, the province will also extensively open job avenues to deal with the problems cropping up in employment. The province will popularize flexible and multiple employment styles, including part-time, temporary, and per-hour workers. By regarding the method of conducting reform in the distribution of old-age pensions as an emphasis, the province will further deepen the reform in the insurance system for the old, which represents another reform conducted by the province in its labor affairs work. Our province is also ready to conduct the pilot work in the cities of Changchun and Tonghua and in Baicheng Prefecture with regard to conducting the arbitration work of labor employment for all purposes. As for all cases that involve the labor employment of enterprises, the labor affairs department should actively accept them and enforce in an overall way the systems of arbitrating financial resources and situation for labor employment.

Jilin State Firms Implement Labor Contract System

SK1602104793 Changchun Jilin People's Radio
Network in Mandarin 2300 GMT 15 Feb 93

[Text] Beginning from 1993, all cities, prefectures, autonomous prefectures and counties across the province will comprehensively carry out the all-member labor contract system and the flexible labor wages plan.

This year, our province will change the practice of experimenting with the all-member labor contract system in selected units into a comprehensive practice of the system in all localities. The scope includes state and provincial-run enterprises, state-owned agricultural, animal husbandry and fishery enterprises, and collective enterprises. All localities and enterprises are permitted to adopt flexible and diversified patterns in carrying out internal contracted management or in optimizing the labor organizations according to local conditions and the situation in their own plants and in line with the reform progress and their internal and external conditions. Enterprises implementing the all-member labor contract system, while recruiting workers into important posts that are not covered by their budgets, may sign contracts with workers and turn them into contract workers.

Enterprises implementing this system should also introduce the competition mechanism. Workers who meet the requirements may work in management posts. Management personnel who have not been employed may serve as workers.

The flexible labor wages plan is applicable to all cities, prefectures, autonomous prefectures, counties and departments. The scope of regulation and control includes state enterprises in various localities and departments. This flexible labor wages plan also includes the flexible plan for the total payroll which should be mainly determined in line with the principle of the comprehensive economic benefit and efficiency.

Areas and departments with favorable conditions should expand the scope of regulation and control and expand from regulating and controlling the state enterprises to all enterprises.

Northwest Region

Regional Resettlement Betters Farmers' Prosperity

HK1302030093 Beijing CHINA DAILY in English
13 Feb 93 p 3

[Report: "Farmers Moved to Less Arid Regions"]

[Text] Eighty percent of the farmers who have moved from the Xihaigu area in Northwest China's Ningxia Hui Autonomous Region recently have cast off the cap of poverty.

They now earn enough for food and clothing, and have an annual per capita income of more than 300 yuan (\$53.57).

And the other 10 percent [as published] of migrants are headed for a better living standard, thanks to the government poverty-aid programme.

The programme, for the first time since 1949, allows farmers in the barren areas to move to nearby plains with better farming potential.

The State Council, China's highest governing body, lauded these efforts this week, and urged local authorities to further their anti-poverty efforts.

The government earmarked funds in 1983 to help the anti-poverty efforts in the Dingxi Area of Gansu Province, and Hexi, and Xihaigu areas in the Ningxia Hui Autonomous Region, the three well-known arid regions in the northwest part of China.

Efforts have been focused on water conservancy and irrigation facilities, farmland construction, planting grasses and trees, electricity distribution, highway building and soil erosion-control in small rivers.

Meanwhile, for the first time since 1949, migration to other regions has been encouraged for those in extremely poor areas with few food resources.

In the last 10 years, more than 500,000 farmers in the three areas have been moved to neighbouring plains with better water resources and farming conditions, such as the Hexi Corridor in Gansu Province along the Yellow River.

Backed by 200 million yuan (\$34.48 million) a year in funds earmarked for regional poverty-aid programmes by the central government, more than 100 small migration centres and 50 other large resettlement bases, capable of relocating 1,000 to 10,000 persons, have already been set up in the three regions and nearby areas.

Qinghai Secretary on 1993 Principal Party Work

HK1202002093 Xining Qinghai People's Radio Network
in Mandarin 2300 GMT 9 Feb 93

[Text] Yesterday morning, the provincial party committee held its monthly meeting to announce the principal work of the provincial party committee standing committee in 1993 as well as convey the spirit of the national conference of discipline inspection commission secretaries and chief procurators.

The meeting was presided over by provincial party Secretary Comrade Yin Kesheng. Attending the meeting were leading party comrades of various organizations in the provincial authorities, persons in charge of various departments of the provincial party committee, and the persons in charge of the party branch committees or party organizations of various departmental units directly under the provincial government, universities and colleges, scientific research units, and the Armed Police forces.

In his report on the principal work of the provincial party committee standing committee for this year, provincial party Deputy Secretary Sang Jiejia said: According to the spirit of the 14th party congress and the spirit of the 11th plenary session of the seventh provincial party committee, the main guiding ideology for the work of the standing committee of the provincial party committee is: Guided by Comrade Deng Xiaoping's ideology on building socialism with Chinese characteristics and aiming at the achievement of the various work targets defined by the provincial party committee, actively, comprehensively, and correctly implement the spirit of the 14th party congress; firmly adhere to the party's basic line; and by rallying closely around the central task of economic construction, mobilize the people of all nationalities in the province to engage in hard struggle, be innovative, seize upon opportunities, accelerate development, and achieve new victories for the reform, opening up, and economic construction of our province.

He said: The basic work requirements of the provincial party committee standing committee are: To emancipate

the mind, seek truth from facts, unite and advance forward, and do a solid job. The emancipation of the mind and the seeking of truth from facts should be integrated, while the spirit of innovation should be vigorously promoted. It is necessary to foster a work style of doing a solid job, as well as a scientific approach to work and work method. Stress the main and crucial points as well as their implementation to shape an excellent atmosphere whereby the entire province is united in improving the economy while leaders at all levels go deep into reality and engage in practical deeds. Endeavor to carry out all kinds of undertakings more solidly and more effectively.

Comrade Sang Jiejia said: The provincial party committee standing committee should do a satisfactory job in the following four areas: 1) Concentrate efforts to do a good job in economic construction to ensure a faster and better development of the national economy. The general objective is: On the basis of improving economic performance, ensure that the GNP will be 8 percent higher than last year and reverse the situation marked by slow economic growth. 2) Speed up reform, carry out practical work, step up the opening up, and broaden the ways and means to achieve this. 3) Insist on doing the two types of work simultaneously [carrying out reform and opening up on the one hand, and cracking down on crime on the other] in order to ensure political and social stability all over the province. 4) Administer the party strictly and bolster the building of the party.

At the meeting, Comrade Doba, a member of the provincial party committee standing committee and secretary of the provincial discipline inspection commission, was entrusted by the leaders of the provincial party committee and government with making a report on the work of the province's discipline inspection and procuratorial organs as well as on the work related to the building of party style and clean government.

He pointed out: Party committees, governments, and discipline inspection and procuratorial organs at all levels should pay attention to the analysis and understanding of the current state in the building of party style and clean government, further upgrade the entire party's understanding of the necessity, determination, and lengthiness of the anticorruption struggle, deepen their comprehension of the important significance of bolstering the building of party style and clean government as reform and opening up is intensified, seize the building of party style and clean government, create an excellent political environment for reform, opening up, and economic development, and ensure a smooth realization of the party's central task.

At the meeting, Comrade Doba also outlined the 10 practical undertakings to be carried out effectively by the province's discipline inspection and procuratorial organs this year.

Comrade Yin Kesheng also spoke at the meeting. He asked all regions and all departments to carry out satisfactory preparations for this year's work by integrating the prevailing conditions in various localities, further emancipating the mind, and exerting more efforts in doing a solid job.

Speaking on the question of building party style and clean government, Comrade Yin Kesheng pointed out: The building of party style and clean government is a long term, all-encompassing task. Party committees and governments at all levels should pay important attention to this, bolster their leadership over it, and always insist on doing the two types of work simultaneously and on the guideline of resolution first and persistence second. It is necessary to carry out these tasks solidly and satisfactorily and ensure the smooth progress of reform, opening up, and economic construction with strict discipline.

Comrade Yin Kesheng emphatically pointed out: In bolstering the building of party style and clean government and rectifying the unhealthy practices in those sectors, it is necessary to highlight the important points, cure both root causes and symptoms, start with hot issues which are the subject of strong popular concern, punish both political and economic corruption, insist on investigating and dealing with big and important cases, and ensure the implementation of the party's guidelines and policies as well the relevant policies of the provincial party committee and government. Win the support of the people and tighten relations between the party and the people.

Comrade Yin Kesheng demanded that discipline inspection and procuratorial departments at all levels should actively take the initiative to serve as the party committee's and government's advisers, carry out their respective functions, and ensure the launching of the party's central task with fine party style and iron discipline.

Xinjiang Foreign Investments Increase Rapidly

OW1602074693 Beijing XINHUA in English 0623
GMT 16 Feb 93

[Text] Urumqi, February 16 (XINHUA)—Foreign investment has increased rapidly in the Xinjiang Uygur Autonomous Region.

Statistics show that last year the number of newly-registered foreign-funded enterprises reached 122, three times that of a decade ago.

Xinjiang made direct use of foreign investment worth 130 million U.S. dollars last year.

The State Council approved eight preferential policies for the development of the region last year, and the regional government delegated power to lower level authorities for preliminary examination in setting up foreign-funded enterprises in prefectures.

The new investors included companies from the United States, Germany, Britain, Canada and Australia.

The investment scope has shifted from the textile industry to real estate, commerce, the service trade, entertainment and communications.

The investment recipient areas extended from big cities to border outlets, open towns and places along the railways.

There has also been a shift towards longer term operations. Last year there were 54 foreign-funded enterprises whose investment exceeded 1 million U.S. dollars each.

This year foreign investment is still on the increase. In January 22 foreign-funded enterprises were registered.

Market Economy, Enterprises in Xinjiang

OW1402024593 Urumqi XINJIANG RIBAO in Chinese
27 Jan 93 p 1

["Editorial": "Unfold a Great Discussion on Market Economy by Closely Linking It With the Reality of Enterprises"]

[Text] The Fifth Plenary (Enlarged) Meeting of the Fourth Xinjiang Regional CPC Committee has decided to unfold extensive discussions on the socialist market economy throughout the autonomous region. At present, a great discussion centering on "emancipating people's minds, changing concepts and going to the market" is being unfolded gradually among enterprises at various levels on the economic front of the autonomous region. It is like a sign of spring in the depths of winter and whips up the enthusiasm for deepening reform among cadres and the masses in various enterprises.

In recent years, the economic situation in industrial enterprises in the region has been characterized by decreasing economic results, increasing losses and a quite serious situation of overstocking of goods. Changing the operational mechanism of enterprises, making efforts to establish a market system, effectively strengthening the building of infrastructure projects and basic facilities, and helping enterprises overcome their difficulties and enter into the market are all urgent things. The unfolding of a great discussion on the market economy is a major measure to remove ideological obstacles which obstruct reform and construction in accordance with special characteristics and to realize the ideas and goals of struggle for promoting economic construction in the autonomous region.

How can we achieve expected results in unfolding a great discussion on market economy in various enterprises? It is important that we must closely link discussion with reality and do solid work.

While closely linking discussion with reality and doing solid work, we must first pay good attention to changing our ideology and concept. We should, through a penetrating study of the 14th CPC National Congress guidelines, enhance our understanding of the necessity of establishing a socialist market economy. We should take

Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as our guidance, break away from the long confinement of the planned economic system and pattern, change our mental attitude in sticking to the old ways and refusing to accept new things, and establish a new concept of the socialist market economy. We should fully understand that the establishment of a socialist market economy system is the road we must follow, is a historical choice for developing social productive forces in our country to the maximum at the present stage, and is also a necessity for further developing the economy in our country. It implies that we have entered into a new phase which involves a whole range of reforms and requires breakthroughs to achieve progress. In the face of a fundamental change in the economic structure, we must study again, constantly create new things, achieve breakthroughs in ideological understanding, management system and leading methods, take a new leap, and adapt our thinking to the constantly changing situation.

To do solid work in conjunction with reality means continuing to implement the Regulations on Transforming the Operating Mechanisms of Industrial Enterprises Owned by the Whole People, which was promulgated by the State Council, and doing a good job in the third round of contracts. The regulations have provided a legal basis and legal guarantee for enterprises. The process of seriously implementing the regulations is a process of truly steering enterprises toward the market. The transformation of government functions should be carried out simultaneously with the transformation of the operating mechanisms of enterprises. Therefore, the government must implement the regulations resolutely, earnestly, and in an all-round way, and entirely delegate the 14 independent operating rights prescribed by the regulations to enterprises. Enterprises should take the initiative in competing in the regional, national, and international markets; strengthen their contingents of sales personnel and their marketing techniques; improve their sales network; and enhance their competitive edge in domestic and international markets.

The implementation of the regulations and the transformation of enterprise operating mechanisms should be closely linked to the third round of contracts. Effective forms of contract, such as the method known as two guarantees linked to one condition and the method of input and output, should be practiced in enterprises according to suitable conditions. In carrying out the third round of contracts, it is necessary to organize the masses to take part in "big discussions," to earnestly sum up the experiences and lessons of the previous round of contracts, and to map out an effective strategy for business contracts which will steer enterprises toward the market. We should introduce the mechanism of competition and, through open hiring and fair competition, promote those personnel who are bold in reform and good at operating businesses to important posts, such as plant directorships or managerships.

Leading cadres at all levels are the key to doing solid work in conjunction with reality. In discussing a market economy, leading cadres at all levels should sincerely change their style of work, improve their work methods, go among the basic units to conduct investigations and studies, pay attention to selecting typical examples, and achieve good results in doing solid work. The principal leading cadres should personally take part in doing solid work. They should provide an effective organizational guarantee for the "big discussion," overseeing plans, arrangements, guidance, and investigations.

In unfolding a big discussion on the market economy, we should also integrate form with content. For example, depending on the circumstances, we should organize people to acquire fundamental knowledge of the modern commodity economy, the market economy, as well as modern science and technology, and modern management; to organize all forms of serial lectures on the socialist market economy; and to unfold discussions of the problems connected with the socialist market economy. Enterprises may also organize special meetings to allow staff members and workers to make speeches on the socialist market economy. They may also use closed circuit televisions, factory newspapers, broadcasting, and other propaganda media to inform and mobilize the masses and build up momentum in order to make sure that the big discussion will be conducted vigorously and conscientiously. In this way, the ideas of cadres and the masses will be pooled to help accelerate reform, opening up, and economic development.

Our region has made a good start in launching a big discussion centering on "emancipating people's minds, changing concepts, and going to the market." It is hoped that party committees and leading cadres at all levels in economic departments will conscientiously attend to this activity. During the big discussion we should conscientiously sum up our past experiences and lessons in work, improve our ideas for work in the days to come, study the new situation, and solve new problems. We must strive to conduct the big discussion in such a way that it will have vigor, special features, and new meanings. We should ensure that the big discussion will develop soundly in accordance with the 14th CPC National Congress guidelines. In this way, we will be able to guide more enterprises into the market at an early date.

Xinjiang Secretary on Commerce Administration

OW1402020393 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 8 Feb 93

[From the "Xinjiang News" program]

[Text] Our station reporters (Ti Zhenyu) and (Yan Yajie) have obtained the following information from the autonomous regional meeting of the directors of industry and

commerce administrations which opened 6 February: For a period to come, the objectives of reform and the development of the industry and commerce administration in Xinjiang will be to establish a new industry and commerce administration with Chinese characteristics and to shift the stress of work to keeping a unified register of the main components of various markets, to taking part in developing those markets, to supervising and regulating market behavior, and to promoting the market economy.

Song Hanliang, secretary of the autonomous regional CPC committee, delivered an important speech during the meeting.

He said: Since the start of reform and opening up, the industry and commerce administration in Xinjiang, like its counterparts in other parts of the country, has made great progress in its work. Particularly since we thoroughly studied and implemented Comrade Deng Xiaoping's important talks made during his southern China inspection tour, as well as the 14th CPC National Congress guidelines, Xinjiang's industry and commerce administrative departments have become bolder in abandoning obsolete, impractical, and backward ideas, and in overcoming the fear of capitalist and rightist things as well as the tendency to play it safe. They have made positive contributions to accelerating Xinjiang's reform, opening up, and economic development.

Song Hanliang added: The industry and commerce administrative organ is the major market management department under party committees and governments at various levels. You have on your shoulder the responsibility of cultivating a socialist market system—a task put forward by the 14th party national congress. For this reason, industry and commerce departments at all levels should adapt their thinking to establish and improve the socialist market economy; should foster the idea of supervising and managing the large, unified socialist market; should place the stress of work on studying, establishing, supervising, and managing the market; should fully perform their duties; and should make new contributions to Xinjiang's reform, opening up, and economic construction.

Xinjiang Cargo, Passenger Handling Figures

OW1302005293 Beijing XINHUA in English 1604 GMT 12 Feb 93

[Text] Urumqi, February 12 (XINHUA)—Ports in the Xinjiang Uygur Autonomous Region in northwestern China handled 1.5 million tons of cargo and half a million passengers in 1992.

The two figures represent increases of 260 percent and 286 percent over the previous year, according to regional officials.

There are 14 ports in the region. The largest is the Alataw Pass, which handled 726,000 tons of goods in 1992, four times that of 1991. When its main facilities went into operation at the end of 1992, the port's annual handling capacity will reach 3.5 million tons.

The Horgas Port, ranking second in the northwest, handled 500,000 tons of cargo and 270,000 passengers, 10 times that of several years ago.

As China's trade volume with Pakistan, Mongolia and the Commonwealth of Independent States (CIS) increases steadily, the throughput of the ports in western China will maintain the upward trend, local officials said.

XINJIANG RIBAO Satellite Ground Station Opens

OW1302144293 Urumqi XINJIANG RIBAO in Chinese 27 Jan 93 p 1

[Text] The XINJIANG RIBAO satellite ground station, jointly constructed by the RENMIN RIBAO, the XINHUA NEWS AGENCY, and XINJIANG RIBAO, was recently put into operation after it was carefully installed and after a thorough trial run. RENMIN RIBAO, MEIRI DIANXUN [DAILY DISPATCHES 3020 2480 7193 6061], CANKAO XIAOXI, FAZHI RIBAO, ZHONGGUO QING NIAN BAO, and other newspapers have formally begun to use the facility to send facsimiles. Now a four-page newspaper can be faxed from Beijing to Urumqi in just over 10 minutes. In addition, the quality of the newspaper and the efficiency have improved markedly.

Lawmakers Show 'Concern' About U.S. Sanctions

OW1702092693 Taipei CNA in English 0745 GMT
17 Feb 93

[Text] Taipei, Feb. 17 (CNA)—Lawmakers here continue to express their deep concern about the possible US trade retaliation against Taiwan over disputes on intellectual property rights protection.

Legislator Chen Shui-pien of the opposition Democratic Progressive Party said that he made known his concern to a political official of the American Institute in Taiwan (AIT) at a breakfast meeting Tuesday [16 February].

The outspoken [word indistinct] however declined to give the name of the US official.

Noting there are signs that the United States is very likely to cite Taiwan on a list for trade sanctions, Chen suggested that the two countries reopen consultations on the trade issue as soon as possible.

He expressed the view that it would be improper for the United States to act against Taiwan without entering into new consultations.

Chen told the American official that the United States should respect the views of Taiwan's legislature, which in January ratified a copyright agreement between the two countries but shelved eight controversial articles of the pact.

Four other legislators, Hung Chao-nan, Lin Chih-chia, Lin Cheng-chieh, and Hsieh Chang-ting, said they will visit AIT Wednesday to talk with US officials on the issue.

While Taiwan has to intensify the crackdown on counterfeiting, the United States should not ask for terms and conditions beyond the rules of international conventions, Hung noted.

Yu Mu-ming and Lin Tshou-shan, also lawmakers, Tuesday presented urgent written interpellations urging the government not to give in to "unfair" US demands.

Legislator Cheng Chien-jen, formerly the vice foreign minister, called on the government to take the initiative to negotiate with the Clinton administration. If necessary, he said, the Legislative Yuan should dispatch a delegation to the United States to help resolve the trade issue.

Frank Neville, AIT spokesman, saying that both countries hope to settle the disputes on intellectual property rights protection, noted that the list of countries to be cited for trade retaliation is yet to be decided.

Government Prosecutes Copyright Violators

OW1702092793 Taipei CNA in English 0754 GMT
17 Feb 93

[Text] Taipei, Feb. 17 (CNA)—The government has done a good job in clamping down on infringers of intellectual property right (IPR), the Board of Foreign Trade (BOFT) said Tuesday [16 February].

BOFT tallies show that of the 1,890 IPR-related cases handled by various courts last year, the defendants of 585 cases were given prison sentences and those of the remaining 1,305 cases were fined.

Moreover, altogether 108,000 pirated video tapes and 46,000 unauthorized film discs were seized, while near 10,000 illegal musical TV houses were banned.

U.S. Customs Officials To Train Local Officers

OW1602110293 Taipei CNA in English 0815 GMT
16 Feb 93

[Text] Taipei, Feb. 16 (CNA)—The Institute for Information Industry (III) will be charged to inspect Taiwan's computer software exports, a ranking official said Monday [15 February].

Lin Tyi-fu, deputy director-general of the Board of Foreign Trade (BOFT), told three visiting American customs officials that this country's inspection measures were based mainly on recommendations from the United States.

Taiwan will learn from the three experienced US officials in export inspections to advance local inspection skills and eventually avoid any counterfeiting, Lin said.

The three American officials, led by Timothy Trainer, arrived in Taipei Sunday for a weeklong visit.

Central Bank To Open Office in New York

OW1302094593 Taipei CNA in English 0821 GMT
13 Feb 93

[Text] Taipei, Feb. 13 (CNA)—The Central Bank of China (CBC) is scheduled to open a representative office in New York April 19.

CBC Governor Samuel Shieh and Ding Mou-shih, representative of the Coordination Council for North American Affairs in the United States, will jointly officiate at the inauguration ceremony.

The planned New York office, the first overseas subsidiary of the central bank, will be headed by Chen Huang, deputy director of the CBC Foreign Exchange Department.

The central bank is also pondering whether to establish offices in other major world cities to strengthen financial cooperation with other countries, a ranking official said.

Daily Announces Japanese Labor Ministerial Visit

OW1702130693 Tokyo KYODO in English 1235 GMT
17 Feb 93

[Text] Taipei, Feb. 17 KYODO—Japanese Labor Minister Masakuni Murakami plans to visit Taipei in late March or April for an international conference, the CHINA TIMES EXPRESS reported Wednesday [17 February].

A spokesman for the Labor Ministry in Tokyo said the Ministry can not confirm the report.

The Chinese-language evening daily reported that while Taipei is preparing for both Murakami and International Trade and Industry Minister Yoshiro Mori, the labor minister's visit is likely to occur first.

Japanese state ministers have not visited Taiwan since Japan broke off diplomatic relations in 1972 to pursue a "one China policy," a Japanese Foreign Ministry official said.

A source in Taipei said Murakami probably will address the conference in terms of his work as labor minister.

"The range of topics is quite wide," the source said.

Murakami, who has long had contact with Taiwanese legislators and businessmen, is a member of the House of Councillors. He also is a member of the Watanabe faction of the ruling Liberal Democratic Party (LDP), the third strongest force in the party.

An informed source in Taipei told KYODO NEWS SERVICE that Murakami was involved in last year's abortive arrangements for Taiwanese President Li Teng-hui to make a private visit to Japan.

The source said Murakami clearly indicated his wish to visit Taiwan. But a spokesman for the Foreign Ministry in Taipei had no knowledge of this.

Chen Tang-shan, deputy convener for the Legislative Yuan's Committee on Foreign Affairs and a member of the opposition Democratic Progressive Party, said, "the visit by U.S. Trade Representative Carla Hills last December helped open the door for (Taiwanese Foreign Minister) Frederick Chien to visit Tokyo and for Japanese ministers to come to Taiwan."

"Now that Washington has sent a senior cabinet-level official in active service to visit Taipei, Tokyo should feel more comfortable in following suit," he added.

Government Officials To Attend Meeting in Japan

OW1502092593 Tokyo KYODO in English 0843 GMT 15 Feb 93

[By Wang Huo-sheng]

[Text] Taipei, Feb. 15 KYODO—A large group of leading Taiwan businessmen and economic officials will visit Japan from Tuesday, a spokesman for Taipei's Chinese National Association of Industry and Commerce said Monday.

The main purpose of the delegation, comprising over 107 business, official and academic representatives, is to attend the second session of the Taiwan-Japan Industry and Commerce Council, which begins in Tokyo on Wednesday [17 February].

The delegation will be led by Association Chairman Koo Chen-fu and includes P.K. Chiang, political vice minister of economic affairs, as a special adviser.

Chiang will also lead a separate group of trade and investment officials to promote investment opportunities for high-technology industries in Taiwan. The group will visit Tokyo, Osaka, Fukuoka and Sendai.

The delegation's stay overlaps the "private" visit to Tokyo by Taiwan Foreign Minister Chien Fu, who will return to Taipei on Wednesday, according to a government spokesman.

A spokesman for the Economic Affairs Ministry said he could not confirm a report in THE COMMERCIAL TIMES on Monday that Koo and Chiang will meet with Japanese International Trade and Industry Minister Yoshiro Mori during their stay in Tokyo.

The main goal of the visit is to discuss ways to reduce the imbalance in Taiwan's two-way trade with Japan. Last year, Taiwan's deficit in two-way merchandise trade with Japan rose to 11.4 billion dollars from 9.63 billion dollars in 1991, according to ministry data.

Koo and Chiang aim to gain mutual agreement on a target to reduce the trade imbalance by 10 percent annually.

The delegation will return to Taipei on Sunday.

Taiwan Considers GATT Ties With Japan

OW1502214293 Tokyo KYODO in English 1504 GMT 15 Feb 93

[By Wang Huo-sheng]

[Text] Taipei, Feb. 15 KYODO—Taiwan's ballooning merchandise trade deficit with Japan has led the Ministry of Economic Affairs (MOEA) to begin evaluating whether Taipei should enter into trade relations with Japan under the General Agreement on Tariffs and Trade (GATT), a Ministry spokesman said Monday.

Taiwan is now involved in negotiations on accession to GATT, and Japan's support for Taiwan's application will be critical.

But MOEA Political Vice Minister P. K. Chiang told reporters Monday that Taiwan's trade deficit with Japan is worsening rapidly.

Chiang said Taiwan's per capita deficit with Japan is worse than the U.S. trade shortfall and now stands at \$75 U.S. dollars, compared to 175 dollars for the United States.

According to Chiang, a report prepared by MOEA researchers presented Monday to the third meeting of the Action Committee on the Taiwan-Japan Trade Deficit, showed that Taiwan's trade deficit with Japan reached 15.5 billion dollars in 1992.

Taiwan's exports to Japan declined by 3.2 percent to 8.9 billion dollars during 1992, whereas imports from Japan soared by 15.5 percent to 21.8 billion dollars.

As a result, the island's trade shortfall climbed by 33.4 percent to 12.9 billion dollars, and Chiang said the figure could climb to 15 billion dollars in 1993.

He said Economic Affairs Minister Hsiao Wan-chang asked the MOEA's Board of Foreign Trade (BOFT) to estimate what impact Taiwan's entry into GATT would have on the trade deficit.

Hsiao asked the BOFT to evaluate in particular the implications of Taiwan's deciding not to enter GATT relations with Japan on the grounds that accession to GATT would worsen Taiwan's trade deficit with Tokyo and thus cause severe economic difficulties, he said.

Chiang said that, under Article 35 of GATT by-Laws, Taiwan could choose not to have GATT relations with some countries.

"If, during the GATT negotiations, we can predict that our trade relations with some nations will cause economic difficulties after accession to GATT, we might use relevant articles to decide not to enter into GATT relations with them," he said.

Chiang acknowledged that the issue was complicated by Taiwan's need for Japan's support in order to enter into the GATT family.

The advisory committee, which is chaired by Hsiao, also urged the MOEA to press Tokyo to set up an official channel to discuss mutual trade issues.

Chiang stated that Taipei had raised this proposal previously with Japanese officials, but "it had not been given serious consideration."

He said that the issue will be raised during the upcoming visit to Tokyo by a 107-member business delegation led by Chinese National Association of Industry and Commerce Chair Koo Chen-fu, which leaves Taipei for Tokyo on Tuesday [16 February]. Chiang will accompany the group as a "special advisor."

Chiang said Taipei economic officials believed that the growth of the trade shortfall showed that private sector efforts to expand exports to Japan alone were inadequate to address the problem and that administrative measures by both governments were needed.

"We need to rely on governments to act," he said.

The committee also discussed intensifying efforts to guide Taiwan manufacturers to improve quality and design levels and to offer an improved environment for Japanese investment and technology transfer to Taiwan.

Government Delegation To Attend Moscow Meeting

OW1602111593 Taipei CNA in English 0802 GMT
16 Feb 93

[Text] Taipei, Feb. 16 (CNA)—Vice Foreign Minister John Chang will lead a delegation to attend a pre-conference working meeting of the Taipei-Moscow Economic and Cultural Coordination Commission in Moscow in April.

An official of the Ministry of Foreign Affairs said that the coordination commission and its Russian counterpart held a joint conference every year alternating in Moscow and Taipei. Chairman Chang of the ROC [Republic of China] and Oleg Lobov of Russia will both attend the working meeting.

The official said that owing to "unforeseen political circumstances," relations between Taipei and Moscow have been developing at a much slower pace than expected. However, Russian authorities are now paying more attention to the development. The Russian Ministry of Foreign Affairs late last year set up a Taiwan affairs office.

In mid-March, the diplomatic academy under the Russian Foreign Ministry will sponsor a "Symposium on Problems and Prospects in the Development of Non-governmental Ties Between Russia and Taipei," which will be attended by officials on the ROC's Ministries of Foreign Affairs and Economic Affairs, delegates of the China External Trade Development Council (CETRA) and scholars from Taipei.

The official added that CETRA and the National Science Council will also organize a delegation to attend a science and technology exhibition in Moscow in July.

Legislative Yuan To Vote on Premier 23 Feb

OW1702093593 Taipei CNA in English 0748 GMT
17 Feb 93

[Text] Taipei, Feb. 17 (CNA)—The Legislative Yuan will exercise its rights of consent for the new premiership on Feb. 23, according to an agreement reached Tuesday [16 February] between the ruling Kuomintang [KMT] and the opposition Democratic Progressive Party (DPP).

Lien Chan, nominated by President Li Teng-hui, will answer inquiries of lawmakers before they vote, with the KMT legislators allotted eight hours, the DPP four hours, and one hour given to the China Socialist Democratic Party (CSDP).

The arrangement was made based on the seats occupied by different political parties in the legislature, said Legislator Chen Shui-pien, DPP party whip.

The KMT currently has 102 seats in the legislature. The DPP comes second with 50 seats, followed by independents, with seven seats, and the CSDP with a single seat.

On the same day, Lien continued visiting lawmakers to seek their support. He called on two KMT legislators and another DPP legislator on his visit to Hsinchu County, northern Taiwan.

Ministry Encourages Investment in Latin America
*OW1302094893 Taipei CNA in English 0906 GMT
13 Feb 93*

[Text] Taipei, Feb. 13 (CNA)—An official of the Ministry of Foreign Affairs encouraged local manufacturers to invest in Central and South America to help promote economic and trade relations with countries of the area.

The official said that the nine Central and South American countries on Feb. 12 signed an economic and trade agreement to set up a free trade zone. Among the nine countries, six have formal diplomatic relations with the ROC [Republic of China].

Late last year, foreign ministers of the seven Central American countries attended a ministerial meeting in Taipei to discuss economic cooperation. Foreign Minister Chien Fu had expressed that Taiwan investors can help strengthen economies and boost job opportunities in Latin America.

Steel Corporation Warns of Dumping Practices
*OW1302095393 Taipei CNA in English 0914 GMT
13 Feb 93*

[Text] Taipei, Feb. 13 (CNA)—As Brazil and East bloc nations scramble to sell their steel products at cut-throat prices overseas, Taiwan may once again become the dumping destination for steel, the China Steel Corp. (CSC) said Friday [12 February].

CSC said the international steel market hit bottom in 1991 as the recession deepened, making all sales of steel products seriously stagnant.

Taiwan, which has lifted the ban on steel imports, has become the dumping destination for Japan, Brazil and Korea steel manufacturers, CSC noted.

CSC said that complaints filed by steel manufacturers in more than 30 nations so far have tipped the balance in the international steel market.

CSC said that domestic steel manufacturers have filed anti-dumping complaints against Brazil, South Korea and South Africa, adding that Korea's dumping practice has been especially serious.

CSC noted that steel manufacturers in the United States had filed a similar complaint suit against Taiwan, though domestic steel makers had since begun to behave in a more restrained manner.

In the wake of the disintegration of Soviet Russia and the East bloc, and a sharp increase in Brazilian steel production, these nations will seek to widen their exports

overseas to get much-needed cash. CSC has therefore urged domestic steel manufacturers to keep a close watch on developments.

Productivity, Labor Costs Affect Competitiveness
*OW1302091293 Taipei CNA in English 0801 GMT
13 Feb 93*

[Text] Taipei, Feb. 13 (CNA)—Taiwan's competitiveness in foreign trade has lagged behind mainly due to low productivity and high labor costs, the government announced Friday [12 February].

The Directorate General of Budget, Accounting and Statistics (DGBAS) reported that productivity of the manufacturing industry gained a tiny 2.79 percent last November, while labor costs jumped 8.90 percent.

In the aggregate, productivity rose 3.9 percent in the first 11 months of 1992, the lowest level since 1981. At the same time, labor costs advanced 6.42 percent, the highest rise in 12 years.

Government statistics show that each laborer's monthly wage averaged NT\$ [new Taiwan dollars] 27,113 (US\$1,043) last year, up 10.16 percent from a year before, while monthly work hours declined 0.3 percent to 201.4 hours.

The figures, coupled with the appreciation of the new Taiwan dollar last year, have lowered the competitiveness of domestic products on international markets, DGBAS officials said.

Meanwhile, the Industrial Development Bureau (IDB) said the ratio of engineers to the workforce in the manufacturing sector should go up from the current 8.8 percent to 15 percent to meet the demand as a developed country.

IDB officials put the current shortage of advanced technology personnel at around 20,000.

The officials pointed out that the bureau will work together with the Institute for Information Industry, the China Productivity Center, the Industrial Technology Research Institute, and colleges and universities to recruit more high-tech personnel for the domestic manufacturing industry.

Nation Ranks First in Foreign Exchange Reserves
*OW1302090093 Taipei CNA in English 0751 GMT
13 Feb 93*

[Text] Taipei, Feb. 13 (CNA)—Taiwan remains the world's largest holder of foreign exchange reserves. Governor Samuel Shieh of the Central Bank of China (CBC) said Friday [12 February].

The governor made the remarks in clarifying a press report that Germany has outpaced Taiwan to top the world in foreign exchange holdings.

CBC tallies show that Taiwan's foreign exchange reserves amounted to US\$83.93 billion as of the end of last November, much higher than Germany's US\$80.4 billion.

Germany did in fact become the world's No. 1 last September when its foreign exchange holdings reached as high as US\$114 billion, Shieh pointed out, adding the figure began sliding thereafter.

The ROC [Republic of China] replaced Japan as the world's largest foreign exchange holder for the first time in 1990.

Central Bank Reports Figures

*OW1602105493 Taipei CNA in English 0752 GMT
16 Feb 93*

[Text] Taipei, Feb. 16 (CNA)—The Republic of China [ROC] led the world in foreign exchange reserves of US\$82.3 billion as of the end of last year, the Central Bank of China (CBC) announced Monday [15 February].

The last quarter of 1992 saw a slow decline in foreign reserves, falling US\$7.2 billion by year's end from September's US\$89.5 billion.

CBC attributed the reduction to the depreciation of the Deutsche mark and the Japanese yen against the greenback and the shrinkage in the nation's surplus of international balance of payments.

On top of the currency reserves, CBC said that the nation had an additional US\$6 billion equivalent in gold reserves by last December, boosting the nation's international reserves to US\$88.3 billion.

CBC officials said it is very possible the nation will for the first time suffer a deficit in its international balance of payments this year judging from the large decrease in the surplus last year. The officials thus predicted a continued shrinkage of the nation's foreign exchange reserves this year.

Hong Kong

McLaren, Lu Ping Discuss Resuming Official Talks

HK1702033093 Hong Kong HUA CHIAO JIH PAO in Chinese 15 Feb 93 p 12

[By staff reporter Chen Hui-erh (7115 1979 0334): "Robin McLaren and Lu Ping Discuss Constitutional Reform"]

[Text] Our newspaper has learned that China and the UK are currently discussing the issue of Hong Kong's constitutional reform in Beijing through Robin McLaren, British ambassador to China, and Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council. If the discussions are successful, the relevant issue can be submitted to the Sino-British Joint Liaison Group for official discussion in March. It is believed that this will also help pave the road for the forthcoming meeting of the two countries' foreign ministers in April.

As our paper has learned, both China and the UK believe that if talks between both sides can be resumed, it will be a result of "sensitivity [jiang li 6199 3810]," rather than concession by either side.

According to Tsang Yok-sing, chairman of the pro-China Democratic Alliance for the Betterment of Hong Kong, during its visit to Beijing at the end of 1992, Chinese Foreign Minister Qian Qichen told it that based on the experience since the beginning of talks between China and the UK on the future of Hong Kong, China should adhere to its principles on the issue of Hong Kong's constitutional reform. He believed that the UK will finally return to its former position and call for a resumption of talks.

A Chinese source also believed that the sincerity shown by the British side on its own initiative was the key to breaking the deadlock. On the basis of respecting reasonable explanations, Beijing agreed to adjust its stance on the crucial issue of "withdrawing the package" and resume communication with the British side, providing the latter with a chance to extricate itself from the awkward position.

But in Hong Kong, some Legislative Council [Legco] members have proposed putting forward a motion on delaying discussion and examination of the draft constitutional reform regulations for three months after they are submitted to Legco. This also coincided in time.

Tsang Yok-sing said that an official of the Hong Kong Government told him in private that once the draft regulations on arrangements for the 1994 and 1995 elections were submitted to Legco for discussion, the Hong Kong Government would be unable to "control" the situation. Therefore, the current stage was very

important. He believed that the British side had already explained the situation to the Chinese side through high-level contacts.

However, he pointed out, if the problem of giving the British side an out was resolved, although both sides could return to the conference table and restart their dialogue, the problems concerning Hong Kong's constitutional reform may not be easily solved. The remaining issues, such as the substantial contents of the reform package itself and the question of how to make the Hong Kong people accept them and Legco adopt them, will still be very thorny problems for both sides to resolve.

Another pro-China source pointed out that because of the mutual attacks in the previous stage, there is still a lack of trust between China and the UK in making common efforts to resolve problems. Neither of the sides would start talking on a certain issue without the assurance of success. To the British side, the talks on the new airport issue have been an unforgettable experience, which had to be resolved through the prime minister's Beijing visit. On the current issue of restarting negotiations on the constitutional package, a British source has admitted in private that if the Chinese side no longer insists on its stance that Chris Patten should withdraw its package first, it will be easier for the Hong Kong Government to justify itself, no matter which of the two sides has expressed sincerity first. It will not be regarded as a concession.

What is important at present is whether China and the UK can take the interests of the Hong Kong people into consideration, respect the wishes of the Hong Kong people, and return to the track of mutual trust and cooperation and make good arrangements for a smooth transfer of power in 1997.

Government Confirms Contacts

HK1702052093 Hong Kong RTHK Radio Four in English 0500 GMT 17 Feb 93

[From the "News at One"]

[Text] The government has confirmed that diplomatic contacts are going on between the UK and China over political reform. In response to inquiries, the government spokesman, Mike Hanson, said he had no announcement to make at this time. But he pointed out that the government had made it clear that the arrangements for the next round of direct elections have to be fair, open, and acceptable to the people of Hong Kong. He said this meant they have to win the support of the Legislative Council and the community.

Spokesman Comments on Talks

HK1702053493 Hong Kong AFP in English 0527 GMT 17 Feb 93

[By Mike Gonzalez]

[Text] Hong Kong, Feb 17 (AFP)—Negotiations are underway in Beijing on whether China and Britain are to sit down to discuss Hong Kong Governor Chris Patten's pro-democracy proposals, a development that has revived the local stock market, officials said Wednesday [17 February].

The "talks about talks" between the British Ambassador in Beijing Robin McLaren and the Chinese Foreign Ministry and Hong Kong and Macao Affairs Office began last week and are continuing this week, officials said.

"There have been diplomatic exchanges last week and this week on whether we can sit down and talk—on whether the Chinese are prepared to sit down and talk," said government spokesman Christopher Osborne.

"These exchanges are continuing," he said. "It's encouraging that we are having these exchanges. We've always said we are ready to talk."

That the Chinese have accepted to discuss the possibility of sitting down with Britain to negotiate Patten's proposals to enhance marginally democracy in the British colony ahead of the 1997 takeover by China represents a certain softening of the Chinese position.

China had rejected outright the proposal enlarging the voting franchise in the 1994/1995 elections as a violation of past agreements and says Patten must withdraw the blueprint.

The stock market has welcomed reports of the meeting and of China's softening, with the key index rising more than 200 points or 3.5 percent Monday and Tuesday. It continued to rise Wednesday, closing the morning session 31 points higher.

Chinese opposition to the proposal, which began in earnest in November, had sent the stock market reeling for the past three months.

China has denied that its "principled position" on the proposals has changed.

But British officials Wednesday confirmed that moderate forces within the Chinese leadership were actively pressing for a compromise with Britain. These officials are opposed to the harder line led by Prime Minister Li Peng and the head of the Hong Kong and Macao Affairs Office Lu Ping.

"In China there's always two distinct camps," said an official who asked not to be identified.

Patten's advisory body the Executive Council has delivered the proposals to Beijing in legislative form for scrutiny before giving them to the Legislative Council [Legco], the territory's mini-parliament, for open debate and possible enactment into law, sources here said.

But the talks in Beijing may delay the Legco debate.

The head of China's Xinhua News Agency in Hong Kong, which acts the official Beijing representative here,

was quoted in the local press as saying Tuesday that negotiations on the proposals were possible only if Patten delays Legco debate on the issue.

Papers Predict 'Reopening' of Talks on Reforms

Announcement Within 3 Days

HK1602135693 Hong Kong TUNG FANG JIH PAO in Chinese 16 Feb 93 p 3

["Special Dispatch" from London-based correspondent John Ericson (yue han ai li xin 4766 5060 5337 0500 0207): "China and the UK To Announce in Three Days the Restarting of Talks on the Political Reform Package—Gazette Postpones Publication of the Concerned Bill Indefinitely"]

[Text] China and the UK will announce within the next three days that they will reopen talks on the Hong Kong political reform package. The publication in the gazette of the political reform package scheduled last Friday [12 February] will be postponed indefinitely pending an agreement stemming from Sino-British talks on the political reforms.

As revealed by reliable sources in London, Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, and Zhou Nan, XINHUA NEWS AGENCY Hong Kong Branch director, concluded that they had to initiate a liaison with the British side after meeting with most of the Hong Kong advisers in Guangzhou and listening to their opinions. Sources say: It was China who made the move to initiate reopening talks with the UK, proposing to the UK that talks be launched on the basis of the three existing documents. One is the Basic Law; the second is the Sino-British Joint Declaration; and the third is the seven diplomatic papers between the Chinese and British foreign ministers in 1990. In the letter [as published], China did not reiterate the precondition that the UK first had to abandon Governor Chris Patten's political reform package.

To avoid fanning speculation, the Hong Kong Government has to make a clear statement before this Friday on when the political reform package would be presented for discussion in the Legislative Council. The UK maintains that this time it is the Chinese side which has first softened its stance before the British side had agreed to reopen talks on the political reforms and that this is a very important "face-saving" move for China, apart from providing Governor Patten with an easy way out. Therefore, the UK has instructed that the Hong Kong Government temporarily postpone the gazetting of the political reform package which has been passed by the Executive Council.

Sources also claimed that, in deference to the content of the three great documents mentioned by China, it would be a drastically revised version even if the Executive Council-passed political reform package is gazetted in the future.

With the reopening of talks between China and the UK on the Hong Kong political reform package, which bypasses Hong Kong Governor Chris Patten, future negotiations on Hong Kong affairs will inevitably return to the previous Chinese and British diplomatic channels, excluding any part for the Hong Kong Government, the third leg of the three-legged stool. It also signals the end of Chris Patten's hopes of lobbying and working for a powerful governorship. The days when British Prime Minister John Major referred Chinese Premier Li Peng to Governor Patten on Hong Kong affairs are gone forever.

It may take weeks, even months, for the talks to reopen between China and the UK. The UK agreed to return to the negotiating table because it saw that Hong Kong's only future in the run-up to 1997 is cooperation between the UK and China to work for a basis of convergence. The British official responsible for future Sino-British relations will be Sir Robin McLaren, British Ambassador to China.

A British Foreign Office spokesman yesterday declined to confirm if China and the UK had achieved breakthroughs and only admitted that the UK was maintaining regular diplomatic contacts with China, both in Beijing and London.

Announcement Possible 18 Feb

HK1702054693 Hong Kong TA KUNG PAO in Chinese
17 Feb 93 p 2

["Special Dispatch" from London by staff reporter Huang Nien-szu (7806 1819 2448): "News Spreading in London for Several Consecutive Days That China and the UK Will Announce Negotiations on Hong Kong Constitutional Reform"]

[Text] London, 16 Feb (TA KUNG PAO)—It has been continuously alleged over the past few days that the Chinese and UK Governments are going to announce the opening of negotiations on the Hong Kong constitutional issue.

A report today even said the British and Chinese sides will make an announcement tomorrow.

A source close to the British Government today said China and the UK will issue an official communique within the next 24 hours. It is expected that the announcement will be about a resumption of Sino-British talks on the Hong Kong constitutional issue.

Meanwhile, the British Foreign Office has denied the hearsay concerned. A spokesman for the British Foreign Office said the reports concerned were mere speculation.

Executive Council Delays Decision on Reforms

HK1702040893 Hong Kong SOUTH CHINA
MORNING POST in English 17 Feb 93 pp 1, 2

[By Fanny Wong and Fan Cheuk-wan]

[Text] The Executive Council [Exco] yesterday deferred a decision on whether to go ahead this week with gazetting the bill giving effect to Governor Mr Chris Patten's constitutional package, amid hopes that China and Britain may resume talks on the subject.

Officials from the two sides are stepping up efforts to find a way to re-open talks although concrete results facilitating the negotiations have yet to emerge.

There are some indications that an announcement might come even today on when bilateral talks can be resumed to break the impasse over Mr Patten's reform package.

Delaying a decision on gazetting the bill would be seen as a friendly gesture to the Chinese side and an indication that the British side is not trying to rush through the reforms.

Noting the Government had only committed itself to publishing the bill before the end of the month, the Executive Council still has time to leave its options open.

The British ambassador in China, Sir Robin McLaren, and officials from the Chinese State Council's Hong Kong and Macao Affairs Office have been in close contact in the past week on the possibility of resuming talks.

A senior Chinese official last night struck a note of optimism saying that it was China's consistent stance to be prepared for talks with Britain on the 1995 elections and the question of smooth transition.

Vice-director of the local branch of the New China News Agency [XINHUA], Mr Zhang Junsheng, said: "The Chinese Government has all the time agreed that there should be talks between the two governments to discuss transitional matters in Hong Kong."

"Since the current controversy was initiated by Mr Patten, Britain should first correct Mr Patten's mistakes."

Asked if China welcomed the Government's decision to delay gazetting the bill, Mr Zhang said the Legislative Council [Legco] was only an advisory body and had no authority to veto any agreements reached between the two governments.

A Government spokesman yesterday reiterated that the British side was willing to talk with the Chinese side at any time and any place about the 1994/95 elections but added the discussions should go forward without preconditions.

The British side would be delighted if the Chinese side agreed to talk again, a source said.

"If the Chinese side is willing to talk then so are we," the source added.

A Chinese source in Beijing said that to facilitate the talks, Beijing had tactfully proposed that the theme of the talks should focus on the questions of convergence and smooth transition while not insisting Britain make

public an announcement on the retraction of Mr Patten's constitutional reform package.

"China is keen on holding talks with the British to discuss a wide range of important issues concerning convergence of the political system, civil service and future cooperative relations between the two governments," the source said.

An official from the State Council's Hong Kong and Macao Affairs Office said China would be willing to hold talks with Britain to discuss the enforcement of the Joint Declaration, convergence with the Basic Law and implementation of the previous agreements reached between the two governments.

He reiterated Beijing's position that Mr Patten's reform package would not be accepted as the basis of any talks between the two governments.

It is understood that the Executive Council spent the whole session yesterday morning solely on reassessing the latest developments in the light of suggestions that China was prepared to resume talks.

All other business in the Exco agenda has been deferred to next week's session given the long discussion on the latest state of play between China and Britain.

With the deferment of the gazetting of the bill, originally scheduled for last Friday [12 February] and later postponed to this Friday, emerging as a condition for China to return to the negotiating table, the Exco is believed to have preferred to keep the door open for negotiations and deferred the approval to publish the bill.

Speaking after the meeting, Senior Executive Councillor Lady Dunn ignored questions and repeatedly said she had nothing new to say.

But Executive Councillor Professor Felice Lieh-mak said the situation remained the same as last week and the bill would be gazetted this month and tabled to Legco five days later, according to the schedule.

"The situation hasn't changed and you'll be kept informed of further developments," she said.

Her Exco colleague Professor Edward Chen Kwan-yiu said talks between the two sides would not affect the timetable for the Legco deliberations on the plans.

Saying there were two possibilities if Sino-British negotiations were resumed, Professor Chen said: "The bill could still be put to the Legco or it could be delayed. There must be enough time for the bill to take effect for the elections."

He added that while both sides have not been active in talks, the doors were still open for negotiations.

A resumption in talks would indicate that all "preconditions" had been dropped, he said.

Editorial on Legco's Authority on Reform Package
HK1602114593 Hong Kong WEN WEI PO in Chinese
16 Feb 93 p 2

[Editorial: "Executive-Led or Legislative-Led?"]

[Text] The Executive Council [Exco] has adopted without amendment Chris Patten's draft electoral bill in its entirety. It has claimed that it will officially table the bill at the Legislative Council [Legco] on 24 February for the first and second readings in the legislative process, which will be followed by debate and amendments over the next few months.

Over the past four months, people from all social strata have voiced strong disapproval of Chris Patten's political reform package, and Hong Kong's administrative departments have received proposed revisions of Patten's political reform model from various sectors. Thick as a telephone directory, these proposals have been compiled by the Hong Kong Government and have been made available for public reference. However, Chris Patten and the members of the Executive Council have been blind and deaf to all this, have remained unpersuaded by public opinion, and, without changing a word, have fashioned the entirety of the package into a draft bill to be submitted to Legco for deliberation and amendment. That is to say, the executive office is turning over to Legco a policy decision on a key issue concerning Hong Kong's political structure.

The model for the 1995 election discusses election modes, legislative composition, determination of constituencies, voting methods, change in voting age, granting of decisionmaking powers to Legco, and even possible intervention in agreements and commitments made by the United Kingdom. This shows that the British Hong Kong Government is changing Legco's functions and status to make it superior to executive organs—a radical change in political operations.

In line with this development, the Hong Kong governor will cease to be president of Legco, who will henceforth be elected by the legislators. For the first time, the committee system will be playing a decisionmaking role as well. With the separation of the two councils, Legco will get all the attention through its decisions on political arrangements. Both Chris Patten and Michael Sze Cho-cheung have said that no package for the political system can become a reality without Legco approval.

This will be very puzzling to various sectors of Hong Kong society. Is Hong Kong's political system executive- or legislative-led? Chris Patten pointed out clearly in his inaugural address on 9 July last year that Hong Kong's affairs ultimately will be determined by the Hong Kong governor. But it was Chris Patten who produced the 1995 electoral package and, with it, caused controversy between China and the UK and drew opposition from various Hong Kong sectors. Now the package is said to be subject to amendments by Legco, not the Hong Kong governor or Exco. Should this be understood to mean

that the system in which "Hong Kong affairs are ultimately to be determined by Hong Kong governor" has ended? If Chris Patten can go back on his pledge in his inaugural address six months later, we should expect to have many more changes in the future and more uncertain factors. This can only affect Hong Kong's smooth transition.

Early in the separation of the two councils, Chris Patten repeatedly claimed that Hong Kong would continue to be executive-led.

One mark of an executive-led system is that key decisions are made by executive organs. In the latter period of the transition, the UK must fulfill the obligations of handing over sovereignty and ensuring a smooth transition as prescribed by the joint declaration. It has the duty to consult China on matters which straddle 1997. As an executive chief and the highest representative for the UK in Hong Kong, the Hong Kong governor is duty-bound to implement the joint declaration. Therefore, matters pertaining to the joint declaration should be decided by the Hong Kong governor. Furthermore, Legco has a tradition of not reversing commitments the UK has made in diplomatic accords.

Recently there have been "reports" that the Chinese side is softening its stance. These "reports" are only a replay of the tactics of the "right of abode" and the "bill of rights" in an attempt to force the Chinese side to recognize an accomplished fact. The Hong Kong and Macao Affairs Office spokesman yesterday punctured these publicity tricks by pointing out that "Chris Patten's 'political reform package' does not conform with the Joint Declaration, the Basic Law, or the agreements and understandings previously reached between China and the UK. Chris Patten must abandon his package and genuinely return to the track of three conformities. China has not changed its solemn stance."

If, at this sensitive time, British Hong Kong hands over the 1995 electoral package to Legco for passage while declaring a willingness to consult China, it will only further undermine the trust between China and the UK and make more difficult the consultation and resolution of the political reform debate through diplomatic channels.

PRC Officials Deny Change in Position

Local XINHUA Deputy's Denial

HK1702060293 Hong Kong TA KUNG PAO in Chinese
17 Feb 93 p 2

[Report: "Zhang Junsheng Stresses China's Stance on Negotiation With the UK Remains Unchanged, and Opposes Involvement of Three-Legged Stool in Negotiations"]

[Text] (TA KUNG PAO)—Zhang Junsheng, deputy director of the XINHUA NEWS AGENCY Hong Kong Branch, yesterday (16 February) reiterated that China's stance on the Hong Kong constitutional issue remains unchanged, that the solution to the Hong Kong issue

rests only on consultations and discussions between China and the UK, and that the "three-legged stool" pattern did not apply to the Sino-British negotiations in the past and still is out of the question.

Asked by reporters during a reception yesterday evening whether there was a change in the Chinese side's stance, Zhang confirmed no change in the stance. As for some newspaper reports quoting sources from London as saying that Sino-British negotiations have been resumed, Zhang told reporters to verify the reports with the sources in London.

Zhang Junsheng elaborated the Chinese side's stance in detail once again. He said: The 1995 Legislative Council [Legco] involves the transition beyond 1997. As stipulated by the joint declaration, any matters concerning the transition of Hong Kong shall be discussed between China and the UK in advance to seek a consensus. This has been very clearly stated both in the joint declaration and the annex on the formation of the joint liaison group. Now the point is that Mr. Patten's policy address has destroyed this mechanism provided in the joint declaration, as that part of his policy address on the 1995 election is not in keeping with the stipulations of the joint declaration, the principle of convergence with the Basic Law, and the understanding and agreement reached between China and the UK through diplomatic channels. Therefore it is he and nobody else who has destroyed the consultation mechanism.

Zhang Junsheng went on to say: Yesterday, the spokesman for the Hong Kong and Macao Affairs Office made it very clear that the British side should first give up its wrong package. How can the negotiations be conducted if it is not given up?

In response to the question of whether the basis for negotiations will be void once the policy address is submitted to Legco for discussion, Zhang Junsheng emphasized: The joint declaration has made it very clear that the Hong Kong issue is an historical one. The settlement of the Hong Kong issue has been based on consultations and discussions between the Chinese and British sides ever since the signing of the joint declaration. Why now, all of a sudden, is it being passed to Legco for discussion? This is exactly what we are referring to as the "three-legged stool" issue, which did not apply to the Sino-British negotiations in the past and is out of the question now. This is simply not a question to be discussed in Legco. The Hong Kong Legco is a consultative body to the Hong Kong governor, which is very clearly stated in the Letters Patent and the Royal Instruction. Therefore, the Hong Kong Legco has no right to veto any agreement reached between China and the UK.

A reporter asked him whether a deadlock on the constitutional problem will mean no announcement on the appointment of the second batch of Hong Kong affairs advisers, Zhang Junsheng said this question is irrelevant.

He said: "Our main purpose in appointing Hong Kong affairs advisers is to regularly solicit their opinions on different matters."

When asked by reporters about the Guangdong authorities' regulations demanding that Hong Kong compatriots visiting Mainland China undergo an AIDS virus check, Zhang Junsheng said: Many people in Hong Kong have expressed their opinions on this issue; some deputies to the people's congress, Hong Kong affairs advisers, and figures from various circles have also raised this question, and news media have already covered this case, too. Everybody is very concerned about this. The XINHUA Hong Kong branch will convey all its opinions to the departments concerned in Guangdong, and in Beijing as well.

State Council Official's Denial

HK1602055393 Hong Kong TA KUNG PAO in Chinese
16 Feb 93 p 2

[Editorial: "Chris Patten's Constitutional Package Must Be Scrapped; the Door to Negotiations Has Not Yet Been Closed"]

[Text] A State Council Hong Kong and Macao Affairs Office spokesman talked to a XINHUA reporter yesterday and clarified reports carried by some Hong Kong media agencies that China's position on the issue of Hong Kong's constitutional arrangements had "softened somewhat" lately. The spokesman reiterated that China's posture has not changed and that China maintains that Hong Kong Governor Chris Patten's constitutional reform package does not conform with the Joint Declaration, the Basic Law, or the relevant agreements and understandings previously reached between China and Britain. Patten must abandon his "package" and truly return to the track of the "three conformities."

Yesterday, Zheng Guoxiong and Zhu Yucheng, both deputy directors of XINHUA Hong Kong Branch, told reporters on separate occasions that Patten must withdraw his "three violations" constitutional reform proposals. They also stressed that only China and Britain are eligible for the talks and that China will not have talks with anyone else.

Recently, some people have added fuel to the flames and have spread rumors about a "softening in China's stand." It is necessary for the Chinese side to clear up this kind of erroneous and misleading report in good time so that great numbers of our compatriots are not taken in by such rumors.

China's posture on Patten's constitutional reform package has not changed and there is no possibility of change, because this is a major matter of principle involving sovereignty. The Hong Kong question is a historical problem between China and Britain and can only be solved by these two countries. The Sino-British Joint Declaration unequivocally stipulates that Britain must return sovereignty over Hong Kong to China on 1

July 1997 and that China will authorize the Hong Kong Special Administrative Region [SAR] to, in accordance with the provisions of the Basic Law, rigorously observe the policy of "one country, two systems," and keep the existing social system unchanged for 50 years. In the late-transitional period before the return of Hong Kong to China, to maintain Hong Kong's prosperity and stability, consultations between China and Britain in accordance with the Sino-British Joint Declaration, the Basic Law, and the relevant understandings and agreements between the two countries on the convergence of political systems are imperative. All this is documented in black and white.

There are only four years and five months left before the return of Hong Kong's sovereignty. The convergence of the political system is the greatest safeguard of Hong Kong's stability, prosperity, and a smooth transition. To ensure political convergence, China and Britain should keep up consultations and contacts with a cooperative attitude during the late-transition period. The setting up of the Sino-British Joint Liaison Group and the arrangement for the two foreign ministers to meet once every three months are both for that very purpose of convergence and transition. All this indicates that China has always kept its door open for consultations, contacts, and talks with Britain.

It must be pointed out, however, that it was Chris Patten who initiated this Sino-British row caused by the constitutional issue, as the British side changed their policy all of a sudden. Before and after Patten assumed office in Hong Kong last autumn, one could already detect some subtle clues from London suggesting this sudden change. The British Government wrongly assessed China's situation, believing that the 4 June Incident, the disintegration of the Soviet Union, and the dramatic changes in a number of East European countries were bound to affect China and pull the CPC down. They are trying to use the "expansion of democracy" to control the Hong Kong SAR Government beyond 1997 and to make things difficult for China so that China will be forced to endure the same evolution as the former Soviet Union and East Europe have done. To begin with, Chris Patten abandoned consultations and dished out his proposals. It is high time that he returned to the correct track of consultations.

If, according to Patten's constitutional reform package, the Legislative Council of the Hong Kong SAR beyond 1997 was actually under the control of a group of subverters who are hostile to China, rows and rancor would happen every day. Some anti-China and anticommunist figures who flaunt the signboard of democracy would cause no end of disturbances, and the stability and prosperity that the people of Hong Kong look forward to would only become flowers in a mirror or a reflection of the moon in water.

Going through the Basic Law once, one can find that democratic rights for the future Hong Kong SAR are very extensive. First of all, in catering to the historical conditions of Hong Kong, it will retain the capitalist

system and many existing laws which have proved effective. One must realize that the making of the Basic Law took more than four years. Personalities from various circles in Hong Kong, including former statesmen and law experts, were extensively consulted or invited to take part in its production. At its time of promulgation, even some senior British Government officials complimented it as containing a broad spectrum of the most basic democratic rights.

Today, however, Chris Patten insists on replacing the Sino-British Joint Declaration, the Basic Law, and the relevant understandings and agreements with his "three violations" constitutional reform package. He reshuffled the Executive Council alone and expanded the Legislative Council's powers with a view to rejecting the convergence of the political system by implementing his constitutional reform proposals, so that anti-China and anticommunist figures could enter the SAR government on the "through train." China of course rejected this "three violations" constitutional reform package. China has taken such a stand not only to uphold the general principle of safeguarding sovereignty, but also to truly protect the fundamental interests of the 6 million people of Hong Kong. What are the fundamental interests of Hong Kong people? Maintaining Hong Kong's prosperity and stability after 1997 and facilitating the motherland's reform, opening up, and growing prosperity is the answer. Hong Kong and the mainland share one destiny and, today, this relationship also includes extremely close economic ties between the two. It cannot be more obvious who is correct and who is wrong through this four-month Sino-British row. China and

Britain should hold talks and Chris Patten must withdraw his constitutional reform package. Talks cannot be based on Patten's proposals or any sham that is a tinkered version of his proposals.

New XINHUA Deputy Director Attends Forum

*HK1602072793 Hong Kong TA KUNG PAO in Chinese
16 Feb 93 p 2*

[Report: "Ulanmulun, Newly Appointed Deputy Director of Hong Kong Branch of XINHUA NEWS AGENCY, Assumes Post"]

[Text] Ulanmulun [3527 5695 2606 0178], the deputy director of XINHUA Hong Kong branch, yesterday attended a forum promoting investment projects in Guangxi. This is the first time he has attended a public gathering of this kind since he arrived in Hong Kong to take up his post.

Ulanmulun, 57, is a Mongolian. Before coming to Hong Kong, he was assistant minister to the minister of foreign economic relations and trade and a member of the CPC Central Committee Discipline Inspection Commission. He was appointed deputy director of XINHUA Hong Kong branch last year. As it took some time for him to gain an entry visa, he did not come to Hong Kong until February.

According to Zhu Yucheng, also a deputy director of XINHUA Hong Kong branch and who attended the same ceremony, Ulanmulun will be responsible for economic work.

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